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PARLIAMENTARY DEBATES  
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# HOUSE OF LORDS

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<b>Abbreviation</b>	<b>Party/Group</b>
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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# House of Lords

Thursday 11 October 2018

11 am

Prayers—read by the Lord Bishop of Newcastle.

## Sudan: Government Changes Question

11.06 am

Asked by **Lord Chidgey**

To ask Her Majesty's Government what assessment they have made of the impact of recent changes in the government of Sudan on the deployment of the United Nations-African Union hybrid operation in Darfur, on the prospects of President Omar al-Bashir securing a third term in office, and on the government of the United States of America revising its foreign policy towards Sudan.

**Lord Chidgey (LD):** My Lords, I beg leave to ask the Question standing in my name on the Order Paper, and I declare an interest as an officer of the All-Party Group for Sudan.

**Baroness Goldie (Con):** My Lords, the Government of Sudan must fulfil their obligation to provide peace and stability for all Darfuris by co-operating with UNAMID to ensure that the transition is a success. We continue to urge the Sudanese Government to undertake political reforms, to strengthen democracy and to ensure free, fair and inclusive elections. Sudan continues to work with the United States to seek removal from the state sponsors of terrorism list, and the UK is supportive of this engagement.

**Lord Chidgey:** My Lords, I thank the Minister for that reply and note the press release received from our ambassador in Sudan this morning. However, in Darfur members of the All-Party Group for Sudan were told that the hasty withdrawal of UN troops had fuelled insecurity and instability, leaving the work of aid organisations nigh-on impossible. Meanwhile, of course, President Bashir is still presiding over genocide in Darfur, brutal conflict with South Sudan and repression of civil society. He now seeks to amend the constitution so that he can stand for re-election in 2020. Will the Government act with the international community to prevent Darfur being abandoned yet again and follow the example of the Democratic Republic of the Congo, where international intervention forced President Joseph Kabila to listen to his people and stand down?

**Baroness Goldie:** My Lords, let me make clear in relation to the United Nations, and particularly UNAMID, that the UK Government continue to support a gradual, conditions-based withdrawal of that mission in Darfur. Our priority is to ensure that changes to the mission are made sensibly, with appropriate review points, and to make sure that a smaller, more flexible UNAMID is still able to fulfil the core components of its mandate. On President Bashir and the recent

announcement that he seeks to be a candidate for the 2020 election, we urge the Government to engage meaningfully in the African Union-led peace process and undertake reforms that strengthen Sudan's democracy. This will ensure free, fair and inclusive elections.

**Baroness Cox (CB):** My Lords, is the Minister aware that earlier this year I visited Blue Nile state in Sudan with my small NGO, Humanitarian Aid Relief Trust—HART—where we met 9,000 recently displaced people who were desperate. They had no food, they were at risk of starvation, and HART was the only NGO to reach them. We were able to raise emergency funding which saved many lives, but there are reports of a very high mortality rate, especially for children. Will the Minister therefore explain how the UK Government are working with the international community to fulfil its responsibilities to protect and provide for these very vulnerable, and indeed dying people?

**Baroness Goldie:** I thank the noble Baroness, who raises a very important point. She will be aware that the UK Government, through our Department for International Development, have been providing very significant help. Indeed, the UK remains one of the largest humanitarian donors to Sudan and we are the largest contributor to the Sudan Humanitarian Fund. We contribute approximately £15 million a year to that fund and we are trying to provide help with clean water and sanitation, particularly helping children, women and girls through food and nutrition interventions. We are also doing everything we can with emergency food assistance and support, because there are South Sudanese refugees and newly displaced people arriving in Sudan.

**Lord Collins of Highbury (Lab):** My Lords, I turn the Minister's attention to the UK's support for the ICC. As we know, Bashir faces an arrest warrant for war crimes, yet he has in recent times been able to travel throughout Africa and the rest of the world with no attempt to arrest him. The most recent case, of course, is Jordan. The ICC prosecutor intends to raise this with the Security Council and with the ICC. What is the Government's response to this referral? Will we back the need to support the ICC, so that people like Bashir cannot continue to act with impunity?

**Baroness Goldie:** The noble Lord makes an important point. As he will be aware, the UK Government totally support the ICC, believing it to be an essential and effective body. He will also be aware that, as I understand it, Sudan itself is not a signatory to the Rome statute and therefore not under the jurisdiction of the ICC. How other countries decide to respond to visits by the President to their jurisdictions is a matter for them. Certainly, as far as the British Government are concerned, British government officials and Ministers avoid all non-essential contact with individuals indicted by the International Criminal Court, but we have no power to extradite people from other jurisdictions such as Sudan. How other countries react if the President visits these countries has to be a matter for them.

**Baroness Sheehan (LD):** My Lords, last month I was in Sudan with the All-Party Parliamentary Group for Sudan and South Sudan. Women's groups there told us they faced arrest for things such as their choice of clothing—for example, today in Sudan I would be liable for arrest because I am wearing trousers. Divorce is illegal; however, forced marriage and marital rape remain legal and commonplace. Will our Government use the upcoming round of the UK-Sudan strategic dialogue to press for repeal of the public order law in Sudan, which enshrines these abuses in legislation?

**Baroness Goldie:** The noble Baroness refers to the strategic dialogue structure, which has proved to be both an important and effective means of exchange of views. She will be aware there have been two recent ministerial visits to Sudan, one in August by my honourable friend Harriett Baldwin, the Minister for Africa, and in September by my noble friend Lord Ahmad. These were all matters, regarding the general context of human rights, which were being and continue to be raised through the strategic dialogue. Let me make clear: Sudan remains a human rights priority country for the FCO, and improving human rights is a key objective in our engagement with Sudan. Indeed, during his recent visit to Sudan, my noble friend Lord Ahmad raised the importance of progress in this area with senior members of the Government.

**The Earl of Sandwich (CB):** My Lords, it is very important that human rights is part of the dialogue with Sudan, but can the Minister confirm that repression of the opposition is a legitimate concern, and that Her Majesty's Government are raising it?

**Baroness Goldie:** Yes. On the agenda of discussions held by the UK Government with Sudan has been the matter of political reforms, economic reforms and, of course, human rights reforms. The noble Earl is absolutely correct that we want to be sure there is a properly functioning democratic system in Sudan which leads to fair and legitimately contested elections. We have certainly made clear that we expect reforms in all these areas.

### Operation Conifer: Sir Edward Heath *Question*

11.14 am

*Asked by Lord Lexden*

To ask Her Majesty's Government whether they will reconsider their decision not to institute an independent inquiry into Operation Conifer carried out by the Wiltshire Constabulary in relation to Sir Edward Heath.

**The Minister of State, Home Office (Baroness Williams of Trafford) (Con):** My Lords, my right honourable friend the Home Secretary recently had the opportunity to discuss Operation Conifer with the noble Lords, Lord Armstrong, Lord Hunt and Lord MacGregor. He and I recognise the continuing interest of this House in the issue, but remain of the view that there are no grounds for the Government to intervene.

**Lord Lexden (Con):** My Lords, is it not quite disgraceful that, a year after the completion of the deeply flawed Operation Conifer, nothing whatever has been done about the slur which unsubstantiated allegations have left on the reputation of Sir Edward Heath? The Wiltshire police and crime commissioner—Conservative, I am sorry to say—has made it clear time and again that he will take no action. The responsibility passes to the Government, and the Government must not evade that responsibility. Does my noble friend recall that when I last raised this burning injustice on 12 July, the noble Lord, Lord Blair of Boughton, pointed out that all the Government have to do is ask Her Majesty's Chief Inspector of Constabulary to send one of Her Majesty's inspectors to Wiltshire? Why has this not been done?

**Baroness Williams of Trafford:** My noble friend will know that HMIC, as it then was, could investigate aspects of police operations or the function of the police. It would not be in a position, as I think I have explained previously, to investigate this allegation. I completely recognise the desire of noble Lords to find a solution to this and it is unfortunate that Operation Conifer was not able to resolve conclusively the position in relation to the allegations made against Sir Ted Heath.

**Lord Campbell-Savours (Lab):** My Lords, with the attempts to destroy the reputations of Sir Edward Heath, Paul Gambaccini, Sir Cliff Richard, Harvey Proctor, Leon Brittan, Lord Bramall and now Greville Janner, on the back of either false or unproven allegations and without a shred of evidence being brought before the courts, and often with statutory compensation in mind, is it not about time that the Government stopped turning a blind eye to these huge breaches of human rights and reviewed the law, particularly in the areas of anonymity and statutory compensation? British justice is being trashed and we are witnesses to it.

**Baroness Williams of Trafford:** I absolutely recognise the strength of feeling from noble Lords, particularly in relation to those who have died and are not here to speak for themselves. Of course, if those individuals are dead, any inquiry that might be conducted would obviously depend on the evidence brought before it. The police are operationally independent of government and we must recognise that. The Government would step in only where all other avenues had been exhausted.

**Lord Armstrong of Ilminster (CB):** My Lords, Operation Conifer spent two years and £1.5 million conducting a range of interviews with those who had known Sir Edward Heath or worked for him, and produced not a scintilla of evidence to support allegations of child abuse. The operation examined 42 such allegations; 35 of them were dismissed out of hand. Seven allegations remained on which those involved said they would have wished to interview Sir Edward Heath had he still been alive; those remain, as it were, open and unresolved. It is now evident that four of those allegations are baseless and it seems highly likely that the other three are equally baseless. One can only speculate on why the Wiltshire Police decided to leave them unresolved. Is it not a reasonable measure of

justice that somebody should examine these seven allegations to confirm that there is no reality to them and to clear the suspicion that has been hanging over Sir Edward Heath since the Wiltshire Police publicly instituted its investigation in 1915?

**Baroness Williams of Trafford:** I think that the noble Lord might have meant 2015 but I absolutely take his point. A review, which of course it would be open to the PCC to instigate, may consider whether any of the allegations that he talks about—the remaining six—would have justified a decision by the Crown Prosecution Service to prosecute. But as I said to the noble Lord, Lord Campbell-Savours, the ability of the reviewer to do this would depend on the evidence that was brought forward.

**Lord Paddick (LD):** My Lords, there is no doubt that the chief constable has not been effectively held to account for Operation Conifer. The Minister says that it is not a failure of the Home Office. It must therefore be a failure of the police and crime commissioner. Is it not time to break up the often too cosy one-to-one relationship between chief constables and police and crime commissioners and revert to police authorities?

**Baroness Williams of Trafford:** In the time that PCCs have been established, they are generally accepted to have worked well.

**Noble Lords:** Oh!

**Baroness Williams of Trafford:** Noble Lords may laugh, particularly on the Labour side, but we have had many Labour PCCs. There have been two in my area: Andy Burnham and Tony Lloyd. The system is accepted to have worked well. In addition, the Home Affairs Select Committee has supported the way PCCs have operated and their visibility to the public. I was on a police authority and I am absolutely sure that at that time nobody knew the membership of that police authority, but they certainly know who their PCC is. In your Lordships' House we have the only parliamentarian who is a PCC.

**Lord Howell of Guildford (Con):** Will my noble friend accept that the reply she read out first really will not do? I hate to say that because I admire my noble friend as one of our best Ministers and I think she handles her portfolio brilliantly, but in this case I have to ask her to take that reply back to the Home Office. A dead statesman has had his reputation almost fatally tarnished on very dodgy evidence and it is time that justice was injected into this situation. This should be the time to do that.

**Baroness Williams of Trafford:** I thank my noble friend for those very kind words. I have twice gone back to two successive Home Secretaries and my right honourable friends have seen my noble friends in regard to this matter. The most recent meeting was in the past few weeks, and that remains the position of my right honourable friend the Home Secretary.

## Health: Contraceptive Services Question

11.22 am

Asked by **Baroness Thornton**

To ask Her Majesty's Government what action they intend to take to protect women's sexual and reproductive health services following the findings of the Advisory Group on Contraception, published in September, that nearly 50 per cent of local authorities have reduced the level of contraceptive services delivered since 2015.

**The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O'Shaughnessy) (Con):** My Lords, the Government have mandated local authorities in England to commission comprehensive open-access sexual health services, including the provision of free contraception. Contraception is also widely available free of charge through general practice. Working with Public Health England we are considering ways to promote increased access to the full range of contraception.

**Baroness Thornton (Lab):** I thank the Minister for his Answer, but it is not good enough to place the responsibility on local councils when there has been a £600 million cut by Public Health England overall over the past few years. Local authority budgets for sexual health services have been reduced by £30 million in the past two years. This is a false economy. Every pound spent on contraception saves £9 in averted costs as well as huge personal and family costs. We are seeing some of the consequences already. According to the Terrence Higgins Trust there has been a 20% increase in the diagnosis of syphilis and gonorrhoea. When will the Government replace the lost funding now that we have learned that austerity is over and make sexual health services a public health priority again?

**Lord O'Shaughnessy:** I concur with the noble Baroness about the importance and benefits of contraception. It is a success of sexual health services that the use of long-acting reversible contraceptives has risen over the past 10 years. She is right that there have been pressures on public health budgets which have affected services, but it is important to note that many outcomes are improving. The annual number of sexually transmitted infections is stable, and the number of teenage pregnancies is down. In fact, it has fallen by 45% since 2010 to its lowest recorded level. I take her point about the importance of these services and that they are under pressure; nevertheless, they are performing admirably.

**Lord Rooker (Lab):** Given that half our pregnancies are unplanned, and that the department's policy in respect of limiting neural tube defects is to tell women of child-bearing age to take folic acid supplements, what is the Government's response to the research published two days ago that shows, once again, a reduction in the use of folic supplements by young women of child-bearing age?



**Lord O'Shaughnessy:** I know the noble Lord is very active on this particular issue. We respect the evidence and are considering what to do about it at the moment.

**Lord Patel (CB):** My Lords, in response to a request for information, nearly 42% of local authorities reported that they had reduced sexual and reproductive health services because of budget cuts. All the directors of public health in local authorities report that services related to contraception have been reduced because of cuts to the public health budget. There has been a rise in the number of abortions for women around the age of 30 and above and a decrease in the uptake of long-acting reversible contraceptives among women over the age of 30. All this points to the cause being the reduction in the public health budget for local authorities. Evidence-based policy would suggest that that needs to stop or be reversed. I am sure that the Minister will say that he will fix it.

**Lord O'Shaughnessy:** I thank the noble Lord for his question and reiterate the point I made; of course public health budgets have been under pressure and we know why that is. Nevertheless, there are some positive outcomes in the changing of services, such as services moving online, as they have done in London with good effect. It is also worth saying that, in the same survey that the noble Lord referred to, more than 50% of local authorities had either kept the same levels of service or increased them. That is also worth focusing on. Nevertheless, I recognise that there are pressures and that there are behaviours that we do not want to see, such as increasing abortions among the over-30s. We are making the case, and will be doing so in the spending review, for the benefits of public health spending on issues such as this.

**Baroness Barker (LD):** My Lords, the provision of access to contraception is a part of the GP contract, but there is a growing number of GP practices that neither provide the service nor refer their patients elsewhere. What are the Government doing to stop that unacceptable situation for growing numbers of women?

**Lord O'Shaughnessy:** The noble Baroness is quite right that there is an obligation in the GP contract. We are in the process of renegotiating the contract for the next financial year, and I shall certainly take that issue back and feed it in to the team that is carrying out the negotiation.

**Lord Watts (Lab):** My Lords, now that austerity is over, when will local government budgets be restored so that local authorities can address issues such as the one we are hearing about today?

**Lord O'Shaughnessy:** Local authority budgets will of course be a matter for the spending review that will take place at some point during the next year.

**Lord Cashman (Lab):** My Lords, I have raised this with the Minister on previous occasions as patron of the Terrence Higgins Trust. I share the concerns of my

noble friend Lady Thornton that the vulnerable groups who need access to sexual health services are at the moment being denied that very access. Does he agree that a lack of access for these vulnerable groups will impact negatively on the health of the nation?

**Lord O'Shaughnessy:** I agree that there can be a negative impact. Indeed, one of the things that Public Health England has done recently is publish a consensus statement about sexual and reproductive health policy and actions, and it is updating its action plan. Nevertheless, it is important to point out that there were more attendances in clinics in 2017 than in 2013, which shows that it is possible to get appointments to be seen.

**Baroness Corston (Lab):** My Lords, in how many areas are sexual health clinics now staffed by nurses rather than doctors because it saves money? I know of two. If he does not know the answer, will he write to me and put a copy of his answer in the Library?

**Lord O'Shaughnessy:** I am afraid that I do not have those figures with me, so I will certainly write to the noble Baroness and place a copy in the Library.

### **Department for Education: Use of Statistics** *Question*

11.29 am

*Asked by Lord Watson of Invergowrie*

To ask Her Majesty's Government what action they will take to address the concerns raised in the letter sent to the Secretary for State for Education on 8 October by the chair of the UK Statistics Authority concerning the department's presentation and use of statistics.

**The Parliamentary Under-Secretary of State, Department for Education (Lord Agnew of Oulton) (Con):** My Lords, I welcome this opportunity to confirm our support for the UK Statistics Authority's work. This ensures that the communication of statistics across government meets the highest standards. The Education Secretary has written to the UKSA to respond on its points and clearly set out statistics that show the success that this Government's education reforms are achieving. The Permanent Secretary has also responded, giving detail on the department's work to strengthen our internal processes on fact-checking.

**Lord Watson of Invergowrie (Lab):** I thank the Minister for that, but it does not answer the Question. This latest rebuke by the UK Statistics Authority is the fourth since the Secretary of State's tenure began less than nine months ago. In his letter, Sir David Norgrove writes:

"I regret the department does not yet appear to have resolved issues with its use of statistics",

and calls on him to,

"ensure that data are properly presented in a way that does not mislead".

In an era of fake news and alternative facts, perhaps that is not too surprising, but it is completely unacceptable in a government department, particularly when previous warnings have been ignored. In response to Sir David's letter, the DfE's Permanent Secretary admitted, "We need to improve our performance", but the Secretary of State's response showed no such contrition. Will the Minister take this opportunity to apologise for the manipulation of statistics by him and fellow Ministers and state unequivocally that the department will begin complying fully with the statutory code of practice on statistics?

**Lord Agnew of Oulton:** I reassure the Chamber about one statement we made that has caused criticism. I shall read it and then give a little context. We said that the UK is the third highest spender on education in the world, according to the OECD, spending a higher proportion of our GDP on education than Australia, France, Germany, Italy, Japan, Portugal and Spain. This is correct, but I accept the noble Lord's comment that the context needs to be made clearer; indeed, the Permanent Secretary acknowledged that in his letter this week to the UKSA.

**Lord Forsyth of Drumlean (Con):** My Lords, on the subject of his department's use of statistics, is my noble friend aware of the Economic Affairs Committee report which pointed out that the penal rates of interest being charged on student loans—currently 6.3%—are counted as income by the Government, even though they will be written off 30 years down the line? Therefore, the numbers give the impression that the deficit is being reduced by charging students those penal rates of interest when in fact it is not. Is it not time that students were treated fairly and the statistics put in order?

**Lord Agnew of Oulton:** My Lords, I certainly agree that student loans constitute an important and sensitive issue, which is continually under review. Recently, we agreed to the lifting of the threshold at which repayment begins, and I am sure that debate will continue in this important area.

**Lord Blunkett (Lab):** My Lords, I am quite happy to believe that the Minister and the Secretary of State have not behaved improperly, but that noble stance cannot be said to have been taken right across the department. Will the Minister give the House an absolute assurance that no pressure has been brought to bear by either Ministers or special advisers on any civil servant in the department to act outside the political impartiality and neutrality that is part of our Civil Service?

**Lord Agnew of Oulton:** My Lords, as far as I am aware, absolutely no inappropriate pressure has been put on civil servants. I do not have any spads, so I have not been able to put any pressure on them. I assure the noble Lord that we have never endeavoured to mislead. To take one area about which people were concerned—the statement on the number of children in good or outstanding schools—the figure of 1.9 million is correct, but it is also correct that 600,000 of those relate to the

increased pupil population over the past few years. One of the most important things that the department has done is to ensure the expansion of pupil places in good or outstanding schools. That is something that I began when I joined the board six or seven years ago and have been able to put a lot more emphasis on since I became a Minister. Indeed, I regularly berate any local authority considering increasing pupil place numbers in poor schools. There is a context around all this, but I assure the noble Lord that I have no knowledge of any inappropriate pressure being placed.

**Baroness McIntosh of Hudnall (Lab):** My Lords, the issue of the manipulation or misuse of statistics is extremely important, but it is perhaps worth recalling that this came to a head last week because the Government were able, by the use of statistics, to challenge the assertion of head teachers that school budgets were being cut in an unsustainable way. Those among your Lordships who have direct contact with schools will know that that is the case in many instances. Schools are struggling to maintain the level of their curriculum and the offer that they believe appropriate for their students because they have lost funds. Does the Minister accept that that is the case?

**Lord Agnew of Oulton:** My Lords, I am afraid I do not accept it. I will use the work of the Institute for Fiscal Studies, which has done a long-range analysis of school funding since 1979. It has said that the real-terms per-pupil funding for five to 16 year-olds in 2020 will be more than 50% higher than it was in 2000 and 70% higher than it was in 1990.

**Lord Morris of Aberavon (Lab):** My Lords, is there any other government department that charges 6.2% on loans or any other contribution?

**Lord Agnew of Oulton:** I am not aware of the practice in other government departments. As I said in my earlier answer, this is a subject of ongoing debate. We have to consider where the cost of this education lies. Is it with the individual, who will benefit in his or her future, or with the general taxpayer?

**Baroness Hayman (CB):** One of the most chilling remarks I heard during my limited time in government was from a special adviser complaining about civil servants being "prissy" with the figures. Will the Minister take this opportunity to state clearly that the Government believe it is an absolute duty of civil servants to be prissy about the figures?

**Lord Agnew of Oulton:** My Lords, as I said in answer to the noble Lord, Lord Blunkett, I am not aware of any undue pressure. In all my dealings with officials they are meticulous in the presentation of their data. Many noble Lords will be aware that there has been a tightening of data releases, so Ministers are not privy to information until 24 hours before it is released. I can assure you, there is no skulduggery going on as far as I am aware.

## Business of the House

### *Timing of Debates*

11.36 am

*Moved by Lord Taylor of Holbeach*

That the debates on the Motions in the names of Lord Dubs and Lord Bragg set down for today shall each be limited to two and a half hours.

*Motion agreed.*

## Good Friday Agreement: Impact of Brexit

### *Motion to Take Note*

11.37 am

*Moved by Lord Dubs*

That this House takes note of the impact on the Good Friday Agreement of the United Kingdom's withdrawal from the European Union.

**Lord Dubs (Lab):** My Lords, I am delighted to have the opportunity to open this debate on an issue that is causing much concern. I happened to be in Castle Buildings on the night of 9 April and the day of 10 April 1998—Good Friday. Although I had no part to play in the negotiations, I shall never forget that long night of tension and the hopes which were finally realised late on Good Friday.

At the outset, I pay tribute to John Hume. He played a major part in moving the peace process along and bringing the parties together, and much of the breakthrough achieved by the Good Friday agreement is due to his efforts. Of course, many other people played a key part. If I went through the list, I would have to name all the people who were in Castle Buildings that night. But certainly my noble friend Lord Murphy played a key part—he will be speaking later in this debate—as, of course, did Mo Mowlam, who was Secretary of State. I pay tribute also to the noble Lord, Lord Trimble, who played a courageous part in achieving the agreement, as well as to Tony Blair, Bertie Ahern and many others.

As we came to debate Brexit and approached a vote on the referendum, it seemed to me that, even if one was a supporter of leave—and I certainly was not—there was one argument to vote for remain: the Good Friday agreement, because that in itself would pose difficulties if we voted to leave the EU. So it has proved. Very few people would challenge the assertion that we face enormous difficulties as a result of trying to deal with the Good Friday agreement. We do not yet have any answers. Perhaps the Government will announce something in the next day or two, but we certainly have no answers yet. I have heard people say that we should forget about the Good Friday agreement because it has outlived its usefulness. I think that that is absolutely wrong. We are entitled to get more advice and guidance from the Government—perhaps we will get it today—as to the way forward.

I happened to be in Derry last weekend at the 50th anniversary of the civil rights rally, and there was widespread concern there about Brexit and what it would mean for Northern Ireland and the Republic.

After all, many years of effort by the British and Irish Governments culminated in the Good Friday agreement. However, the agreement is not just about the border, although the border is a crucial part; it is also about the sense of identity that people in Northern Ireland were given through this document. It gave choices to unionists and nationalists. The more I think about the Good Friday agreement, the more I realise that it was a very subtle and sophisticated document. It is not as succinct as it might be because of course every page was negotiated toughly, together with the three strands of the agreement—human rights and other issues, to which I shall refer.

The Irish Taoiseach said recently that,

“it is hard to imagine the Good Friday Agreement being made without”,

Britain's and Ireland's,

“shared membership of the European Union”.

That formed the background to the debates and discussions leading up to the agreement. People say, “Don't worry. Technology will solve it all. There will be no problem at the border—technology will deal with everything”. I challenge people to show me one border in the world where technology has done that. There is no evidence at all that it works. It might in five, six or 10 years' time, but so far there is no evidence that it works. Let us remind ourselves that there is a 310-mile border between Northern Ireland and the Republic, with 257 crossing points. That compares with 137 crossing points on the EU's eastern border, which is much longer, yet has fewer crossing points. I understand that 40 million vehicles move between Northern Ireland and the Republic every year. Furthermore, there is a single electricity market. Indeed, I have asked whether energy laws would be required to be implemented in Northern Ireland for the single electricity market to continue as it does now.

Members of the House will be fully aware of the enormous co-operation on food and agriculture. Milk imported from Northern Ireland is processed in the Republic, while wheat grown in the Republic is sent north for milling and then back to the Republic, and there is cross-border movement of lambs, pigs, cattle and other agricultural products. Indeed, 30,000 people commute across the border every day.

I heard Peter Sutherland speak just as the Brexit referendum was happening. He was an eminent person who knew a thing or two about these matters. He was formerly a European Commissioner, a UN special representative for international migration and director-general of the World Trade Organization. He said, rather ominously, that he saw no alternative to a hard border. I hope to heaven that he was wrong, but he issued that warning right at the beginning. After all, the Good Friday agreement is an international agreement between two solid states, signed as joint members of the EU. If we renege on such an agreement, can we be trusted to adhere to other international agreements? I think not—it would weaken our position.

If border restrictions are reintroduced, that will lead to a sense of disillusionment and the feeling that the Good Friday agreement is being steadily dismantled. People who know more about these things than I do say that it will provide a boost for dissident republicans.



The chief constable of the PSNI has warned of possible violence if border checks are reinstated and has said that many of the gains of the last 20 years will be lost.

When I was in Derry last weekend, I talked to staff at the University of Ulster on the Magee campus. Many staff, students and teachers cross the border daily. I am taking as an example just one activity—the university. The Magee campus is less than 10 miles from the border, and I am told that 96 members of staff who work at the university cross the border every day, 66 of them, or 20% of the total workforce, travelling to the Magee campus. This easy movement of people across the border is quite phenomenal. The year before, I was at an event at a school in Newry. A teacher there told me that she came from Dundalk every day and crossed the border seamlessly. She saw that as the way forward.

As things stand, some people in Northern Ireland already have Irish citizenship. It would surely be wrong if we ended up with two classes of people in Northern Ireland who have different rights: those who have Irish passports and those who do not. People holding Irish citizenship in Northern Ireland should be entitled to the full rights of EU citizens, including freedom of movement and the right to work throughout the EU. To avoid creating new divisions, entitlement to EU citizenship should be extended to all people in Northern Ireland—who are entitled to Irish citizenship under the Good Friday agreement—without the necessity of applying for Irish citizenship.

There should also be a firm commitment to retaining the Human Rights Act for Northern Ireland regardless of developments elsewhere in the UK, and that the European Convention on Human Rights should be retained with respect to Northern Ireland. It might not be retained in Britain if the Conservatives have their way—I hope it will be—but certainly it is important that we have it in Northern Ireland. I refer also to the Charter of Fundamental Rights and to EU directives that relate to equality. Again, it is important that these should continue to apply in Northern Ireland. Otherwise, there will be a lessening of rights there as a result of all this. At the last election, I think that the Conservative Party's position was that it would not proceed with the repeal of the Human Rights Act until Brexit had been concluded. After we have left the EU, it will be easier to cut or loosen the UK's ties to the European Convention on Human Rights, making it easier to repeal the Human Rights Act. There are serious concerns as to how rights will be affected by Brexit.

It is also a serious concern that there might develop an imbalance of rights for the people of Northern Ireland compared to those living in the Republic. The point of the Good Friday agreement was to bring the sets of rights together, to have uniform rights across the island. However, there might well be different paths for rights in Northern Ireland compared to the Republic, despite the Good Friday agreement having talked of an equivalent level of protection of human rights in Northern Ireland and the Republic.

The fact that we have no functioning Executive is a matter of serious concern, and it weakens the voice of Northern Ireland in dealing with the issues before us. Where is the voice of Northern Ireland in these last

stages of the negotiations for Brexit? Surely the people of Northern Ireland have the right for their voice to be heard, not just by people here but by people in Northern Ireland who are close to the issues and could suffer the consequences.

As I have said before in a wider context than this debate, I cannot see how we can bring together the parties in Northern Ireland to re-establish the Executive unless there is some impartial facilitator of the process. Senator George Mitchell showed very clearly that there was a need for such an independent person to bring the parties together, to keep at it and to knock their heads together—if one can use such an expression. He did that brilliantly, spending years of his life on it. It is important that we have an impartial person to do this. I can think of various names offhand, but maybe it would be invidious to suggest them. However, I cannot see how the Government today can lean on the largest party in Northern Ireland, when that party is also a member of the coalition. I just do not think it can be done. One cannot have Chinese walls between these bits of Government. I fear very much that, without the parties coming together, the strength of feeling in Northern Ireland about the future of the Good Friday agreement will not be clearly heard.

I believe that the Good Friday agreement is fundamental to a peaceful Northern Ireland. It is one of the greatest achievements for peace on the island. It is a lesson and a model for other countries as to how painfully conducted negotiations can lead to an outcome that satisfies people who were in conflict with each other, the need for identities and, above all, the need for an end to violence. I hope that the Government will find a way to ensure that the Good Friday agreement is retained in its entirety as we proceed towards the final stages of the Brexit negotiations.

11.49 am

**Baroness Armstrong of Hill Top (Lab):** My Lords, it is a great pleasure to follow my noble friend Lord Dubs, who has a lifetime of commitment and work around peacebuilding and civil rights in Northern Ireland. He is good counsel for people like me who are on the EU Committee and have been working on this issue quite a lot in the last year.

The Good Friday agreement was the result of careful negotiations, and involved of course the building of trust among people who really were not very fond of each other. No peace process is ever delivered just by signing a document. I learned in government that, day in and day out, attention had to be paid to developing that trust, building relationships, building clarity and a level of trust that enabled people to move to the next stage.

When government changed in 2010, too many people took the Good Friday agreement for granted. Actually, bits of the Good Friday agreement had not yet been delivered, and there were certainly aspects that needed a lot of work. Now, partly because of that lack of attention in a day-by-day way which I know went on throughout the Government that I was a member of, there are too many siren voices who seem to suggest that the Good Friday agreement is now out of date and that we do not need to worry about it in relation

[BARONESS ARMSTRONG OF HILL TOP]  
to Brexit. I wish I had their confidence. As I say, the Good Friday agreement was a very precious and difficult negotiation and is still not totally there.

We need to remember that the DUP did not support the Good Friday agreement, and I know that the noble Lord, Lord Trimble, took a bit of flak from the people to one side of him—I will not say whether from the left or right—who supported the DUP. Unfortunately, it looks as if now they still do not think and work on the detail in the way they need to in order to support that agreement.

Any peace agreement is hard-won, and this one followed 50 years of troubles, which were all part of centuries of difference and struggle on the island of Ireland. As one of those who were centrally involved in the peace process said to me, “Ireland had led to three UK Governments falling, and we never forgot that when we were negotiating”. I hope that this Government do not forget that and that they recognise the dangerous waters they are swimming in.

During the EU Select Committee’s last visit to Ireland and Northern Ireland, the committee met companies and public services operating across the border. The damage that Brexit inflicts on the Good Friday agreement goes beyond any border, and I do not want to talk in detail about those issues today. However, as my noble friend said, it strikes at the heart of people’s identity. We can see across the world that, in many cases, how people identify themselves has become the main driver of politics. In recent years, this has led to increased conflict and violence around the world for many countries.

However, for 20 years in the north of Ireland, identity politics was again, as a friend of mine who was involved in the negotiations said, sort of fudged. The agreement recognises the right of all the people of Northern Ireland to identify themselves and to be accepted as Irish, as British or as both, whatever they may choose. Some people therefore do identify as Irish. Others identify only as British. Many who want to move forward identify as both, and that has also led to a huge increase in applications for Irish citizenship because they also want to be seen as European. Each person’s identity is not under threat because their neighbour sees their identity as different, and that was a very important psychological outcome of the Good Friday agreement.

In a sense, identity was relaxed in the Good Friday agreement, and that created a relaxation in how the economy worked. When we were there with the EU Committee, it was difficult to see how breaking any of that ease and relaxation would have anything other than a detrimental effect on the economy. Now that identity has become interlinked with the possible re-establishment of the border—if a border of any sort comes back—by choosing your identity you could become a threat to your neighbour. Nobody is saying that that will happen overnight, but we are saying that there are straws in the wind that simply push people to make choices where the Good Friday agreement allowed them not to make choices. We must understand the seriousness of that.

Brexit has polarised opinion not only in Northern Ireland but in the Republic, and in the relations between the two Governments, at a time when the changing demographics are spooking unionists and reviving the siege mentality. The two Governments in the short term have to act quickly to visibly demonstrate that, whatever tensions there are over Brexit, there is a recognition of the shared interests, history and economics of the people of the north and south.

In the medium term, people have to think long and hard about how unionism can accommodate and show its respect for nationalism and vice versa, no matter what happens on the border. At the moment, that thinking may be well-intentioned, but it is vague and ill-defined. How would unionists reconcile a majority nationalist community to stay in the union? How would nationalists reconcile unionists to a united Ireland? In fact, we have to start and talk openly about such measures and issues, long before any point of decision comes. That thinking needs to be done in the north, in the south, in Dublin and in this House.

**Baroness Manzoor (Con):** My Lords, I kindly remind the House that when the clock strikes seven minutes, time is up.

11.58 am

**Baroness Harris of Richmond (LD):** My Lords, I too thank the noble Lord, Lord Dubs, for securing this debate on perhaps one of the most important consequences of Brexit. When we reflect now on the arguments that were made and the issues that were raised in the run-up to the referendum in 2016, it is astonishing how little attention was paid in the rest of the UK to the consequences for Northern Ireland.

I do not need to tell any of the noble Lords taking part in today’s debate about Northern Ireland’s history, nor about the sacrifices and compromises that were made in Northern Ireland, not just by politicians but by ordinary people, in order to secure the Good Friday agreement. That agreement largely brought to an end the full-scale sectarian violence that had blighted Northern Ireland for over 30 years. However, the aspirations that we had for Northern Ireland in 1998 are far from being achieved. Northern Ireland is still a deeply divided society. It is still a contested space, with different people having different constitutional aspirations. Notwithstanding all of the progress in the peace process, Northern Ireland continues to have a major fault line.

The agreement provided a balanced settlement with full recognition of the principle of consent for Northern Ireland’s constitutional status alongside partnership government and a complex set of interlocking relationships across these islands. This provided people with the ability to lead their lives and do business as they chose on a north-south and/or east-west basis. Combined with a commitment to human rights and equality alongside power sharing, this balance of relationships essentially took the heat out of the constitutional clash. While in a strict sense the Good Friday agreement was not dependent upon the continued membership of the UK or the Republic of Ireland of the European Union, it was the joint UK and Irish membership of

the EU, in particular of the customs union and the single market, that facilitated the freedoms across the islands that people quickly took for granted.

Northern Ireland works only on the basis of sharing and interdependence, yet Brexit, in particular a hard Brexit, entails new divisions, barriers and friction. Brexit has placed the constitutional question back on the table, in contrast to a situation in which it had been largely parked between 1998 and 2016. Brexit itself, and any potential mitigation of it for Northern Ireland, has become largely polarised along identity lines and there is little space for pragmatic, consensual solutions to emerge. This is of course not helped by the collapse of the Northern Ireland Executive last year, as we have heard, along with the dependence of the Conservative Government on DUP votes in the Commons. It is worth noting that Northern Ireland's economy has been held back by the legacy of division and violence. It significantly underperforms relative to other regions of the UK and the Republic of Ireland. A hard Brexit would compound this further.

However, the emergence of new border arrangements needs to be understood in more than just economic terms: borders are emotional and psychological. Any border down the Irish Sea would be seen by many as a fragmentation of the UK. In turn, as we have heard, any new border across the island of Ireland would be seen as a reversal of the gains of peace under the Good Friday agreement. Many people would see any checks, no matter how efficient or unobtrusive, as a step backwards. It is the symbolism of the checks themselves that is the issue. Brexit is an existential threat to the entire concept of a shared Northern Ireland. If a consensual approach cannot be found, we will return to the zero-sum approach to Northern Ireland that hampered the peace process for years. It is not hard to imagine the increasing frustration and alienation of the nationalist population, and indeed many others, in a hard Brexit UK, along with the return of siege-mentality unionist politics.

Finally, Brexit or a hard border will present challenges for all of our security agencies. They will be required to police a hard border along a 320-mile land border. Since 1998, the border has all but disappeared, with free, unfettered movement along with increased and positive interactivity between Northern Ireland and the Republic of Ireland. Brexit challenges that progress. The Chief Constable of the PSNI has already made the case for an additional 490 officers to fulfil the requirements associated with a hard border. They are needed in support of other agencies, including the NCA, Border Force and HM Customs and Excise. The PSNI is already 500 below the minimum the Chief Constable says he requires, so in effect the PSNI has a requirement for more than 900 additional officers. So far, there is little indication that the Government are preparing to give the PSNI the budget it needs to expand to a realistic level.

It is also worth bearing in mind that, during the Troubles, the police and the Army were unable to secure the border with a total complement of 29,000. Nowadays, there is no military availability and the police service, even at its full complement of almost 8,000, is a long way from the point where it had to deal

with a determined terrorist onslaught. The Government must act with some alacrity to address the shortfall. We do not want a hard border, but if there are to be border controls, we must ensure that the PSNI is properly resourced.

The consequences of Brexit for Northern Ireland are much more fundamental than any economic considerations. This is about the future cohesion of society. That is the real threat of Brexit to the Good Friday agreement.

*12.04 pm*

**Lord Eames (CB):** My Lords, I also thank the noble Lord, Lord Dubs, for facilitating this debate at what is a crucial stage in the negotiations on Brexit. He has always displayed a keen interest in our problems and also our achievements. It is no exaggeration to say that, with that degree of interest, he has approached this debate and introduced it in a way which is most sensitive. In passing, I congratulate the noble Lord, Lord Duncan, on the first anniversary of his acceptance of the responsibility of dealing with those of us from Northern Ireland and our problems, and thank him for the way in which he has exercised that responsibility.

So, we ask, what will happen to the Good Friday agreement when we leave the EU? At one level—and I stress, at one level—the answer must be that nothing directly linked to it will change: it is a historic document and a milestone in the history of Northern Ireland. It came after many attempts to end our Troubles; it came about through the courageous work and vision of those who saw what it could achieve. Among the membership of your Lordships' House, there are those who played a key and courageous role in that process. It found its place in history, and no one can rewrite what took place 20 years ago.

The fact that not all of its aspirations have been implemented cannot deny its place in our history—and not even Brexit can change history. Too often, not least in Northern Ireland, some try to gain significance through rewriting history. That is a dangerous occupation. It is a dangerous occupation in the affairs of Ireland as a whole. Let us be clear: as a historic document, the agreement is of historic significance. It cannot be rewritten and taken out of its historic context. In time, we may question the relevance of parts of it to changing circumstances—but that is a different matter.

History tells us that only one part of the story of the Good Friday agreement is contained in the question we face today—only one part. Through it, the community was given the opportunity to build a place of peaceful, democratic dialogue and of equality. Hope was rekindled. It was the basis for a joint community, where equality and democratic sharing through peaceful means became a possibility. So, when we ask whether Brexit will change the agreement in a historical sense, the answer is, simply: it cannot. Tragically, the collapse of Stormont has eroded some of those cherished hopes of 20 years ago.

Now, a new generation is asking what Brexit will mean for them—for their hopes, for their future. That generation was not alive when many of the considerations we are talking about today arose. They read about it in history books; they learn about it in schools; they hear



[LORD EAMES]

it mentioned on television and on the radio—but they ask questions today that we cannot avoid. What will Brexit mean for those hopes? Will the achievements of 10 April 1998 mean a radical change for that new generation? Those questions are not just topical; they are moral. They are questions that no one in this House can avoid if we take our responsibility as human beings seriously.

The victims of the days and years before that day 20 years ago continue to confront us. As has been mentioned, we are still a divided society. Recently, some Members of your Lordships' House suggested that it was time to consider the balance between the importance we give to the investigation of the past and the support of victims. This is a serious—and, again, a moral as well as a political—issue. We feel that it goes to the heart of much of the post-agreement Northern Ireland beyond discussion of issues such as Brexit. Perhaps later in the debate the Minister will be able to share his thoughts on what we have done. We may argue that certain details of the Good Friday agreement will require consideration as a consequence of Brexit, but the second aspect of this, as I have mentioned, is that the spirit, meaning and vision of what was contained in the agreement cannot be subjected to that sort of scrutiny.

I will conclude with two points. First, if in the latter stages of negotiations on how we leave the EU the Northern Ireland situation and the border issue stand in the way of agreement and compromise is apparently necessary, will the Government's assurances given to us after the Good Friday agreement be protected? Will the situation in Northern Ireland not be used simply as some sort of political ping-pong in those compromise situations? Secondly, many projects during the Northern Ireland peace process have benefited from financial help from the EU. Have the Government given any consideration so far to the vacuum that could occur in that support after Brexit? Those who have stood beside me at many graves deserve answers to those questions.

12.12 pm

**Lord Browne of Belmont (DUP):** My Lords, I congratulate the noble Lord, Lord Dubs, on obtaining this important debate. Sometimes, there are those who are too quick to put forward and promote the idea that when the United Kingdom leaves Europe, the Good Friday agreement will be torn up, destroyed and made redundant as a consequence, leading to the recurrence of violence throughout Northern Ireland. I believe that this would not be the case. The vast majority of people across Northern Ireland, in both communities, and in the Republic of Ireland have no intention of allowing the men of violence to resume their destructive campaign. It is therefore important that the language we employ is measured, not to give encouragement and succour to the evil perpetrators of violence for their own selfish ends.

I assure the House that there is no support for a return to violence. Since the Good Friday agreement, substantial progress has been made in Northern Ireland. We have faced many difficulties and many issues remain to be resolved but, with hard work by all the political

parties, agreement can be achieved. The young generation, who never experienced the campaign of violence, wish to move on and carve out a successful career for themselves and their families. It is therefore important to accentuate the positive aspects of the Good Friday agreement and move forward along with the rest of the United Kingdom when negotiations in Europe are successfully completed, and to isolate those who simply want to disrupt daily life in Northern Ireland.

Regrettably, we are holding today's debate against the backdrop of a Northern Ireland with no locally accountable decision-making bodies in place. None of us wants to be in this situation, with no local decision-makers. However, it is important that all parties continue to work with the aim of returning to full local governance in Northern Ireland. We must remember that for a lengthy period we had stable and accountable devolved governance. We have relative peace in Northern Ireland—it is a much better place and has travelled a considerable distance during the last decade. Tourism continues to boom in Northern Ireland. Belfast's skyline is littered with cranes as this building continues on new developments. Attractions are seeing increasing numbers of visitors too, and cruise ships from across the globe are now regular visitors to our capital city. Over the last two years, the hotel and hospitality sectors have grown significantly, with a rapidly increasing list of luxury hotels being erected, and this has created new jobs and new businesses for locally based suppliers.

Yet, even with these recent significant investments in Northern Ireland, if one were to listen to the demands of some, Northern Ireland would be stuck in a bizarre, solo customs arrangement with the European Union. Such a new scenario would prevent Northern Ireland benefiting from future deals put in place by the rest of the United Kingdom. Those who call for this are not only calling for the full integrity of the UK to be put into serious question, they are prioritising the 23% of Northern Ireland's trade with the EU over the 77% of its trade with the rest of the UK and elsewhere. Recent investors and confirmed future investors in Northern Ireland have looked at all the risks involved and carried out their own research. They have invested, or plan to invest, because they know that Northern Ireland is part of a strong, outward-looking and independent United Kingdom, free to make its own deals with the world and an attractive place for them to grow their businesses.

On the Belfast agreement, Her Majesty's Government, the EU negotiators and the Irish Government have all previously stated their commitment to avoiding a hard border between Northern Ireland and the Irish Republic. Equally, the Government have previously confirmed that when we leave the EU, they will work closely with the Irish Government to ensure co-operation in the context of existing arrangements and the common travel area. If there is good will on all sides, this is achievable. My party leader, Arlene Foster, has been very clear in her recent meetings with the Government and EU negotiators that there should be no question of customs or regulatory barriers between parts of the United Kingdom being introduced. The nature of domestic trade between all parts of the United Kingdom, and with the Irish Republic, highlights the importance of finding a solution that protects everyone.



Regardless of any deal with the European Union, there is a need for a sensible approach on both sides of the border when we exit the EU. Key to all this is Northern Ireland's economic and trading reliance on the internal UK market; total trade with Great Britain is significantly greater than Northern Ireland's trade with the EU. This can be achieved by looking towards digital solutions and will work best for all sides, while ensuring the integrity of the United Kingdom and its internal market. Digital border controls are one way of enhancing security with minimal change. Indeed, measures such as this already exist, and have been introduced at borders across the world. Examples are the Norway-Sweden and the Canada-United States borders. According to the findings of Lars Karlsson, "coordinated border management as well as trusted trader and trusted traveller programs can significantly reduce compliance requirements and make borders",

virtually friction-free. Solutions are available, provided there is a mature approach and a willingness on all sides to examine them. Unfortunately, that will appear to have been missing on the part of some EU negotiators, and by some who regrettably continue to fight old battles by cynically using this issue to try to keep the United Kingdom tied to the EU. Indeed, some who raise this issue and who claim to respect the Belfast agreement—the Good Friday agreement—appear to have forgotten a key part of it: the principle of consent. As we leave the EU, we must do so together as one nation. I am confident that after Brexit a bright future will emerge for all the citizens of Northern Ireland.

12.20 pm

**Lord Trimble (Con):** My Lords, I congratulate the noble Lord, Lord Browne. I was looking forward to his speech but unfortunately ended up slightly disappointed. I had expected a detailed, blow-by-blow account of the DUP's encounter with European officials yesterday. I am afraid that I shall have to fall back on my imagination in that respect.

I wish to draw the attention of the noble Lord, Lord Dubs, to one point. I will not take up any other points with regard to him because I have only seven minutes. It is that what he calls the Good Friday agreement—the Belfast agreement—does make reference to partition. It recognises the existence of partition and its legitimacy—it uses that word. The partition exists not just generally; there is a border between Northern Ireland and the Republic of Ireland for tax, VAT, currency, excise duty and security matters. All these matters are managed using technologies, without infrastructure at the physical border. With regard to that physical border, we have been assured by the CEO of HMRC and the head of the Irish Revenue that there will be no need for new customs facilities on the border. So I suggest that this issue has been somewhat overstated.

There is a matter of significance. We are now getting down to the European Union's primary concern, which is that there might be an impact on the single market if there are insufficient checks on the borders in Ireland, because goods could come into the single market without complying with EU standards or tariffs. That is a genuine concern that can be met.

Cross-border trade on the island of Ireland mostly comprises regular shipments of the same goods. This repetitive trade is well suited to the established technical solutions and simplified customs procedures already available. Larger companies might take advantage of what are called trusted trader-type schemes. I recall a Member of this House saying to us in this context that he regularly brings ships into port in Southampton with 20,000 to 30,000 containers on them and there are no problems. The goods are all cleared as they are put into the containers. That is on a scale much greater than that of the transfers in Ireland, but it works smoothly.

Large companies might take advantage of these arrangements, but for all companies the requirements for additional declarations can be incorporated into existing systems used for VAT returns. For agricultural products, which is the key problem, the Government should agree equivalence between EU and UK regulations since EU and UK standards are virtually identical and will remain identical. This goes back to agricultural arrangements on what are called biosecurity matters. That all goes back to Stormont and the old Parliament, where we agreed to have the same standards of animal hygiene on both sides of the border. So all these things can be done without there being any significant problem.

However, a problem has arisen. Way back last December, in dealing with this, the Government indicated a willingness for continuing alignment on various matters with the EU, but the original draft of that paper was quite limited to those cross-border bodies that came into existence as a result of the Good Friday agreement.

There is a good reason for having it. Of those cross-border bodies, the one with the largest employment is Waterways Ireland, which employs more than 400 people, some in Northern Ireland and some in the Republic. They have to have the same contracts; there has to be uniformity in the arrangements under which they are dealing. That exists and it would not be a problem—but there was included in that agreement in December a reference to a backstop if in fact the alignment was not altogether satisfactory. I am inclined here to borrow a phrase from my noble friend Lord Lawson, who says that instead of saying "backstop" we should actually say "back-stab", because that is what it has turned into. It has been exaggerated beyond the legitimate use that was there in the original draft last December and it has now been extended in such a way that it is going to cause enormous difficulties, which were touched on by the noble Lord, Lord Browne. We hope that those matters will be resolved.

It is a pity that there has not been a big enough recognition of the real problem that the Irish Republic is going to face. It is not affected by any of the matters on the border that have been mentioned so far. With regard to goods, only 1.6% of the output of the economy of the Irish Republic goes into Northern Ireland—so that is not a significant problem. The problem for Ireland is of a different character and it concerns tariffs. If tariffs are retained by the European Union, the Irish economy is going to find that between it and its principal market, which is across the water in Great Britain, there are now tariffs. There are no

[LORD TRIMBLE]

tariffs presently existing on goods moving from Ireland into and through the United Kingdom, but if the EU retains its existing tariff arrangements, this is going to have a huge impact on the Irish Republic. It will not affect us in Northern Ireland, but we know it is going to have an effect on the Republic. I have been disappointed to see that there has been no serious discussion of this that I am aware of, and I think that there needs to be one fairly soon. Otherwise, folk in the Republic of Ireland are going to have a rude awakening when they see the impact that this will have on their economy.

I have one further point. After the agreement we saw a considerable change in relationships between Dublin and Belfast and between the UK and the Republic. A good new relationship came into existence. That is now being threatened, not by us in Northern Ireland but by Brussels and Dublin—and they need to think again, particularly the folk in Dublin, about who their friends really are. I know that the EU is hinting to them, or saying to them, that it will look after them, but the EU does not have a good record in looking after small countries, and I think that Dublin should take that on board.

12.27 pm

**Lord Adonis (Lab):** My Lords, it is a privilege to follow the noble Lord, Lord Trimble, who was so deservedly awarded the Nobel Peace Prize with John Hume. Like the Minister, I have had the great pleasure of getting to know Ireland far better in recent months as we have grappled with Brexit. As a historian, I have always been alive to the terrible historical relationship between England and Ireland and to the largely depressing and deplorable history of Northern Ireland since its creation a century ago at a time of war and strife. Spending time in Ireland, north and south, has brought home to me the remarkable progress made in the last 25 years since Sir John Major and Albert Reynolds began negotiations to bring peace to a land ravaged by terrorism and violence, a process which led to the 1998 Good Friday agreement and power sharing.

However, my time in Ireland has brought home to me how precarious are the peace process, the prosperity of Ireland and Anglo-Irish relations. I tell the Minister frankly that almost everyone I meet says that relations between the British and Irish Governments are worse than at any time in living memory. The Government's Brexit negotiating tactics, seeking to undermine and denigrate Dublin in Brussels, Paris and Berlin, has done deep damage. After nearly two years there is still no functioning Assembly or Executive in Northern Ireland, the longest period any democracy has been without democratic institutions in modern Europe.

The Government are substantially to blame for this, in my view. The Prime Minister has paid less attention to Northern Ireland, spent less time there and played less of a role of honest broker than any recent Prime Minister, and she is now seen as an open partisan of the DUP and its leader, Arlene Foster. In July, when I was in Belfast at the same time as the Prime Minister, she was never seen without Mrs Foster in attendance. Her speech in Belfast on 20 July, which disowned Sir John Major's statement with Albert Reynolds

that Britain has no selfish or strategic interest in Northern Ireland, and also disowned the provisions to protect Northern Ireland that she agreed in Brussels last December, is in my view the single worst speech or intervention on Northern Ireland by a Prime Minister since the start of the peace process.

Short of renewed violence in Northern Ireland, this debate could not have a bleaker backdrop. The question is whether we are going to make things worse still. That turns on whether Brexit happens. Any Brexit will do deep, lasting and probably irreparable damage to Anglo-Irish relations. From what both unionists and nationalists tell me in Northern Ireland, the result there will almost certainly be a prolonged constitutional crisis, which in a small number of years will probably result in a referendum on the creation of a single Irish state, with all the difficulties that that will entail. My view on this is the same as Sir John Major's: the United Kingdom has no selfish or strategic interest in maintaining British governance in Ireland, and if it is the will of the people of Northern Ireland to create a single Irish state, this Parliament and this kingdom should enable that to happen with generosity and statesmanship.

However, if Brexit happens, its form—particularly the provision of the backstop on the border—is crucial to limit its damage. On the principles involved, let me say two things. First, what we should be thinking about is not “no hard border”, but “no harder border”. It is perfectly possible to have no hard border, regarding new border infrastructure, while in practice having a much harder border, regarding mobile checks and searches, and regulatory divergence which stifles trade and interactions across the border. This is certain to happen with any Brexit, but obviously the less so, the better. The best possible arrangement would be a backstop in operation that ensures Northern Ireland retains full membership of the customs union and the single market.

Secondly, let me turn to the Good Friday agreement. A lot is said, particularly by the DUP, which never supported the Good Friday agreement and still does not in reality, about it not specifying specific no border requirements. However, the whole philosophy of the Good Friday agreement is for no hard border, and a progressively softer border to encourage trade, prosperity and interaction. How else can one possibly read the preamble to the Good Friday agreement, which says in paragraph 3:

“We are committed to partnership, equality and mutual respect as the basis of relationships within Northern Ireland, between North and South, and between these islands”,

or in paragraph 5 that,

“we will endeavour to strive in every practical way towards reconciliation and rapprochement”,

or in strand three of the Good Friday agreement in the declaration of Rights, Safeguards and Equality of Opportunity, which refers to,

“the right to freely choose one's place of residence”,

and,

“the right to equal opportunity in all social and economic activity”?

This leads me to four specific questions for the Minister. First, it is vital to prevent a new border for goods, or border-type arrangements for goods, by ensuring Northern Ireland remains in the customs union without time limit, unless there are equally frictionless border arrangements negotiated in place of the customs union. Is it still the Government's policy that Northern Ireland should stay in the customs union or an equivalent arrangement without time limits?

Secondly, regulatory divergence will inevitably suppress existing and new trade and interaction. Last December's joint report provided for full regulatory alignment between the Republic and Northern Ireland. Can the Government reaffirm that this too will be part of the backstop?

Thirdly, last week the Prime Minister announced that the freedom of movement of people will be abolished when we leave the European Union and that much existing freedom of movement, particularly of low-income migrants to the UK from the mainland, will no longer be allowed. What does this mean for the border within Ireland since, under this new immigration regime, the Irish border will inevitably become a major source of illegal immigration? What will the Government's post-Brexit policy be to tackle illegal immigration across the Irish border and will it be possible for such a policy to be in place without checks or searches of some kind, either at or near the border and/or between Northern Ireland and Great Britain?

Fourthly, there is the timescale for Parliament to consider the extremely serious and grave issues which will be in the withdrawal agreement. How long will the Government give Parliament to consider the implications of a withdrawal agreement before it is voted upon? There is growing concern that Parliament will be railroaded by the Government into voting on Brexit within days of the signing of a provisional withdrawal agreement, after the European Council of this month or next. This would be frankly disgraceful. Parliament typically requires a standard 12-week consultation period not only for new policies but even for the most minor of regulatory changes. Similarly, local councils are given eight weeks to determine planning applications. Yet we are told that the parliamentary votes on the most important issues to be decided by Parliament in this generation—whether we leave the European Union; whether there should be a people's vote; and whether the exit terms are acceptable—could be held within a few weeks or even days of the Prime Minister publishing a draft treaty.

Attlee famously said that democracy is government by discussion. There can be no credible or properly democratic decision-making by this Parliament on Brexit unless MPs and Peers have sufficient time to study and discuss the Brexit terms and to seek advice and views from the public. In conclusion, will the Minister tell us how long the Government will provide for consultation between the publication of a withdrawal agreement and the parliamentary votes? If it is less than eight weeks—I am bringing my remarks to a close—I tell him that there will be very serious concern in this House and the country that the whole process is fundamentally illegitimate.

12.37 pm

**Lord Bilimoria (CB):** My Lords, I remember when my father was posted as a lieutenant-colonel from the Indian Army to the British Army in Warminster, Wiltshire, seeing the Troubles as a young boy living among soldiers. I then went back to school and to university in India, and came back for my higher education here in the UK. In 1982, just as I was about to move into the International Students House in Regent's Park, there was a tragic attack on our soldiers there. As an Indian coming over here, I have witnessed and felt the Troubles as a young boy and a student.

Later on, I had the privilege of going to Northern Ireland with the UK-India talks and seeing it on the ground after the Good Friday agreement. Anyone who goes to Belfast today will see the high fences and barriers that still exist, in spite of that agreement. The Good Friday agreement was precious. The noble Lord, Lord Trimble, who is not in his place, won a Nobel Peace Prize for it. We are grateful to everyone involved who enabled what is now an amazing 20-year-old peace process to have happened. What is happening today? For the sake of something called Brexit, we are threatening the very union and the very peace of the United Kingdom. At the heart of the Good Friday agreement was north-south co-operation and east-west co-operation—they were absolutely interlinked.

Look at the movement of people, to which the noble Lord, Lord Adonis, alluded. There is a free travel area between Ireland and the UK. We are not in Schengen. If somebody gets a visa for the UK, they can go to Ireland; if somebody gets a visa for Ireland, they can come to the UK. However, that is in the context of being in the European Union. People such as Arlene Foster say that the Good Friday agreement is not sacrosanct and praise Boris Johnson's Brexit vision. But the Good Friday agreement was created in the context of the European Union and the free movement of people, goods, services and capital, and of the UK and Ireland united in this context.

Now we have the backstop. I remember sitting next to an EU Prime Minister who said, "We've got the backstop". I said, "How can this backstop logically work? It cannot work". There is no workable backstop in the way that it is being proposed at the moment. In fact, Sammy Wilson initially described a Canada-style trade deal as "too vague". We have the DUP saying that it will not have a border between Ireland and the UK, and Ireland saying that it will not have a border between Northern Ireland and Ireland. How will this work in practice?

The noble Lord, Lord Adonis, said that Northern Ireland is the Achilles heel of Brexit. Then, there are those who say that this is the tail wagging the dog. How can they say that? Let me put it into context. Two of our children were not old enough to vote in 2016, but before March 2019 they will be old enough to vote. They are part of the more than 1.5 million people who did not have the franchise at the time, and it is their future that has been decided by something that is two years out of date. What are we doing?

When we negotiate with European Union members, they are the baddies because they are bullying us. Hang on: we elected to leave and then we drew our red



[LORD BILIMORIA]

lines—no customs union, no single market and no ECJ. How will that work in the Northern Ireland situation? It cannot work in practice.

The irony is that the Government say that they are implementing the will and mandate of the people. However, the referendum was two years ago and the facts have changed—the world has changed. I remember taking part in a debate on a European Union Committee report before the Brexit vote. It said it was going to be so complicated that it would be impossible. The most complicated part is the Northern Ireland issue, but it is just one of the complicated aspects.

Goods move freely. Recently, I spoke at Board Bia in Ireland, where an example was given. Baileys Irish Cream is made in Dublin, goes to be bottled in Northern Ireland, comes back to Dublin and is then exported around the world. It is frictionless. There are goods going from Dublin across the sea and across the land to Calais. It takes 10 hours and is frictionless. If you try to take goods around, it takes 40 hours. Are we going to give up all this?

What about identity? What about the will of the people? The reality is that the latest polls show that 80% of the readers of an Irish newspaper reject sacrificing Northern Ireland peace for Brexit. The Northern Ireland result was 56% to 44% to remain. What about their will? On the one hand, we are told that we will have separate arrangements to keep them out. On the other hand, we are told that we have to respect the will of the whole of the UK. Will the Minister square that circle for me?

There is the sad and dangerous potential that Brexit could reignite conflict in Northern Ireland. I really hope that that does not happen. How will it work in practice if we have a common regulatory area and a separate customs union for the whole of the UK? You would need a single market as well to keep the Northern Ireland-Ireland-Britain relationship going. As the noble Lord, Lord Adonis, asked, what about the control of free movement of people? If there is free movement of EU people into Ireland, they can freely move into Northern Ireland and therefore they can move into the UK. This is an absolute nonsense.

The great Jacob Rees-Mogg says that any divide in the customs regimes governing Northern Ireland and the rest of the UK after Brexit will be completely “impossible”. So there we have it; he said it. And Nicola Sturgeon is now saying that, given that the Scots would be competing for investment as well, any backstop deal would lead to the break-up of the United Kingdom. I conclude by saying that it is Great Britain and Northern Ireland that make up the United Kingdom. Let us never destroy that.

12.45 pm

**Lord Davies of Stamford (Lab):** My Lords, I begin by taking up the contributions that have just been made by my noble friend Lord Adonis and the noble Lord, Lord Bilimoria, which touched on a very important point. There is freedom of movement within the island of Ireland—the common travel area, as we have always called it. You have the right to walk, drive or take a train anywhere on the island and never show any

papers or go through any controls at all. It is of course vital that we keep that regime and it would cause a revolution—of which I should probably be a part, by the way—if anyone suggested removing those rights.

However, how can we possibly retain those rights when the Government are determined that the country will leave the European Union and no longer be a part of the freedom of movement provisions of the treaty? In such circumstances, anyone could take an aircraft from Bulgaria, say, to Dublin—they would have an absolute legal right to be admitted into the Irish Republic—and then simply take a bus or walk across the border into Northern Ireland and they would de facto be in the UK. Since I do not think there are going to be any border controls either between Northern Ireland and England, they could then come over to London. How is it possible that, after two and a half years of talking about this issue, we have still not had an answer to this from the Government? I ask the Minister today, if he does nothing else, to give us the answer to that very key question. It is disgraceful that it has never been answered by the Government up to the present time.

I was going to talk about something slightly different, relating of course to the Belfast agreement. I remind the House that, for two or three years after the agreement was concluded, I was shadow Secretary of State for Northern Ireland. I was determined to make what contribution I could to normalisation in those circumstances, in support of the principles of the Belfast agreement. I therefore made a point of meeting people on both sides who had been involved in the violence, which had been terrible. I made a point as well of going to places where no British politician had been for 40 years. Incidentally, I was the first British politician to meet the Loyalist Commission.

I was also the first British politician to go to Crossmaglen for 40 years, not being helicoptered into the sangar and out again but going in a perfectly normal way. I did a walkabout, went into pubs and shops, had a long discussion in the post office and so forth. I was treated with the greatest degree of friendliness. I have to say that that visit was controversial at the time; the Unionist Party—I see that the noble Lord, Lord Trimble, has left the Chamber—was not in favour of my doing it and the chief constable said he would not give me a police escort. I was deeply grateful; that was the last thing I wanted in those circumstances.

I also knew I was not running any risk. By that stage, I understood enough about Ireland, Sinn Féin and the Provisional IRA to know perfectly well that, if the IRA wanted to kill me, they could do so without any difficulty any day they more or less chose. However, if Martin McGuinness said to me, which he did when I told him I wanted to go to Crossmaglen, “You’d be very welcome in Crossmaglen, Quentin”, I knew that I was entirely safe and that no one there would dare to harm a hair on my head. I cannot say that I always feel like that elsewhere. That visit went off very well.

I also spent quite a lot of time, again because of introductions by Martin McGuinness, in west Belfast. I remember many hours of conversations, usually at the Patrick Sarsfield club—I do not suppose any British politician had been there before either, for that matter—



talking about things that interested me about Ireland. One subject I raised was how Sinn Féin and the Provisional IRA were persuaded to agree to the Belfast agreement, to agree to peace and, above all—the most difficult thing for them—to agree to give up their arms. I learned what had actually happened.

Martin McGuinness had said—I dare say that Gerry Adams and other members of the Army Council would have said the same thing, but I only heard about what Martin McGuinness had been doing and saying from his people—“Well, okay, we have not got 100%. We have not got a united Ireland, but we have got the best deal we could have negotiated for the last 60 years and, in my judgment, the best deal we can negotiate for the next 20 years. Actually, we have an enormous amount of what we require—probably 80%”, because, as a result of the Belfast agreement, all the obstacles were coming down. The roads that had been blocked up were being reopened, there would be no procedures or difficulties placed in the way of moving around the island of Ireland. There was no greater difficulty driving between Dublin and Belfast than in driving between Limerick and Cork.

“What is more”, Martin McGuinness continued, “all-Irish institutions are being set up, and that is the way forward, and both the United Kingdom and the Republic of Ireland are now part of the European Union”—a situation that could not possibly have been envisaged when the Troubles started in 1969 and 1972, and obviously not in 1919 to 1922, during the violence referred to a moment ago. That changed an awful lot of things, because it meant that the British were equal partners with a constant necessary working relationship with the Irish in the European Union. As time went by, internal frontiers within the European Union became psychologically less important and physically less visible. Things were going in a direction in which it was all right for the Irish nationalist and republican movements to go along with the Belfast agreement entirely consistently with the objectives that they had always had.

Now we see the dangers of the present situation, because the British have said that we are leaving the European Union and all that is going for a burton. It is no longer clear that there will not be checks—I have already raised the question of borders of various kinds. A border is any line in the ground which, when you pass it, can have some legal or financial consequences. The issue is what happens to freedom of movement within the island of Ireland, as I just mentioned, and what happens to the movement of goods. Notoriously, there have been no solutions to that at all.

We are in danger of creating yet another case of a British broken promise, and Anglo-Irish history is full of British broken promises, which we have lived to regret over time, so I hope that the Government are not thinking of making and leaving in the history books yet one more British broken promise.

12.53 pm

**Lord Carswell (CB):** My Lords, I have lived all my 84 years in Northern Ireland. My home is in Belfast, but I also feel at home in Dublin, Cork or Galway. Like many other people living in Northern Ireland, I have visited, travelled and holidayed in the Republic.

My brother lives in Dublin. It is not a foreign place as far as people are concerned. They are not aliens, they are not people we are glaring at through a forest of barbed wire, they do not seem different, like Othello’s people,

“men whose heads do grow beneath their shoulders”.

There is a great deal more contact and friendship between people in Northern Ireland from different backgrounds than many noble Lords may be aware of. It goes without saying that, during the Troubles, tensions were severe. Those of us who lived through it and close to it, as I did—sometimes too close for comfort—are well aware that. It was a bad time and we never want to see it again.

Things have changed since then, thank the Lord. Even during the worst times, links were kept up. My own profession maintained friendly links with southern lawyers, as it had for generations and still does. It also worked hard to prevent steps being taken that might increase sectarianism within the profession. I am glad to say that we largely succeeded in that. Both Bench and Bar are well integrated institutions, and comfortably so. What I am saying is that things are much more normal, agreeable and as they should be. Go to Belfast or any part of Northern Ireland and you will find it much more recognisable as the place that it was, that you would like it to be, and that those in other countries are familiar with.

I will not try to say that it is all Pollyanna and lovely, with people kissing and making up all the time. There are tensions, and pockets where people are at odds with each other; there are people with atavistic attitudes and, of course, dissident republicans are a constant thorn. But, on the whole, I have a clear feeling that things are improving. People want it that way. I remember being asked a number of years ago in London, “What does Northern Ireland need now?” I replied without hesitation, “Twenty years of nothing happening”. We have got quite a long way down that road, and I think it is having an effect.

How does this bring us to the agreement of 10 April 1998? Its proper legal name is the multi-party agreement; one can call it the Belfast agreement, the Good Friday agreement or what you will. But it is there, an international agreement between states; whatever happens, that matter is not subject to change.

The focus of this debate is on what the impact—to use the precise word of the noble Lord, Lord Dubs—of Brexit on the Good Friday agreement will be. Noble Lords will remember that right at the core of the agreement are two fundamental safeguards. One is that any constitutional change in Northern Ireland will take place only with the agreement and consent of the majority of people of Northern Ireland. The second, complementary, safeguard is that if such consent came about and a majority of people wished to change the constitutional position, the British Government would not block this but would facilitate it. That is very proper. Whatever might happen in the future, one would hope that principled democrats will accept whatever is agreed by a majority.

In addition, the European Convention on Human Rights is given formal protection in the agreement. Nobody has suggested that this will be altered. It is

[LORD CARSWELL]

separate and distinct from the European Union and agreements of the European Union; it is not under threat. Another thing not under threat is the common travel area. One can travel quite peaceably; there has been passage of peoples since 1923 and it has been perfectly easy. Noble Lords may remember my talking of riding my bicycle to Dublin without the slightest let or hindrance. Nobody has suggested that will change. Any such talk, I am afraid, is somewhat misplaced.

Where does this take us? The answer is that a lot of concerns have been expressed, but what are they? There are some, of course. Arranging a border is obviously a matter of difficulty and I shall not attempt to minimise it. I have given my views on it before and I have every hope that it can be resolved, but it does not mean that the agreement is affected by such difficulties. However, there is one facet that might have an effect and that is if a proposal is put forward and accepted between Governments to in effect create a border down the Irish Sea. I could see room for very strenuous arguments about that and where they might lead I do not know. However, I feel that other matters are ones of perception and inchoate fears. It is the responsibility of people such as, I hope, your Lordships to attempt to put them to rest and to persuade people that they are unfounded and that the agreement is safe and sound and on a solid base for now and the future.

*1 pm*

**Baroness Crawley (Lab):** My Lords, I too thank my noble friend Lord Dubs for securing this debate and for his steadfast friendship with Ireland. I want to say a little about both the border and east-west relations.

The signing of the Good Friday/Belfast agreement on 10 April 1998—a day that made me proud to be both a member of the Labour Party and Irish—was the culmination of many years of difficult, often ugly, compromising backroom work by men and women whose goal was to find a sustainable peace in the blood and rubble of the past 30 years. Despite their great differences and fatigued history, they brought about an agreement that has stood the test of two decades and allowed Northern Ireland to begin to prosper and live in its skin as a modern European nation. Many of these peacemakers are past and present Members of this House—I see the noble and right reverend Lord, Lord Eames, and the noble Lord, Lord Trimble, in their places. My noble friend Lord Murphy was a proud member of the class of 1998 who did what had to be done and did it well and in the interests of us all.

The agreement marked a deliberate moving on from the Troubles, with their obscene death toll of over 3,600 people and many thousands injured. It set up key political institutions such as the Northern Ireland Executive and the Assembly, which I have had the pleasure of visiting and which needs to be reinstated urgently, as noble Lords have said. It also set up the North/South Ministerial Council to develop co-operation between both parts of Ireland. Today, we see an all-Ireland market in utilities, scores of cross-border business, tourism and environmental initiatives, and of course the EU-funded cross-border peace programmes designed to reinforce the peace process.

We have to continue that work of reinforcement and not allow Brexit to dismantle it. The Good Friday/Belfast agreement saw the border controls between the north and the south move from the security arrangements of the hard border of the past—the checkpoints, the barbed wire, the watch towers and the paramilitary violence—to the modern, peaceful, free-flowing, frictionless commercial border that we see, or hardly see, today.

It is easy to forget as we talk about possible technical solutions in the future, post Brexit, that in our lifetime that border was a graveyard and a battlefield. I listened to Boris Johnson's "chuck Chequers" speech and I read the ERG's September paper, half-baked as it was, and I can reflect only that it is as though the shadow of the gunman had never fallen across that border and never could in the future.

We are at a crucial juncture in these negotiations and I genuinely wish everyone involved success, although I have my doubts. I would never accuse the Prime Minister of not acknowledging the historical significance of the border question but I would accuse her of setting her face against practical EU compromises that could unblock the answer and of trying to row back from her official backstop commitment of 8 December. If she continues to be unbending, the whole of the Brexit negotiations are in jeopardy.

Mr Barnier's clock is ticking, and we all know what that sounds like. I am a remainer, as I have said before until noble Lords are probably sick of hearing it, and if there is any chance for the country to vote again on the terms, no one will be more ecstatic than me. However, if that does not happen and we leave the EU at the end of March, we must stay as close as possible to the EU—the world's largest trading block. Whatever happens in the next few extraordinary months, we in the UK must continue to have the closest and most friendly relationship with our nearest ally, neighbour and EU member, the Republic of Ireland, with which we share the busiest air corridor in Europe and the second busiest in the world.

That brings me back to the former Foreign Secretary's speech in the fringes of the Conservative Party conference, when he told us of the fantastic trade opportunities soon to emerge between Peru—yes, Peru—and the post-Brexit UK. His implication was that our EU membership has corrupted our awareness of so many other exciting parts of the world. Now, I mean no disrespect to any Peruvian colleagues but I have to declare that Boris Johnson's remarks drove me into the arms of the IMF DataMapper. This, as noble Lords will know, is the statistical library of the IMF and is available to anyone who can google. The source reveals that the GDP per capita of Peru is \$7,200. The GDP per capita of Ireland is \$80,000. The distance for trade between London and Limerick is 595 kilometres; the distance between London and Lima is 6,324 kilometres. Meanwhile, UK exports to Ireland are currently worth \$45 billion. If my sums are correct, only about \$9 billion-worth of Peruvian exports reach the EU each year, let alone the UK.

It is therefore the height of hucksterism to tell the British people that there is bound to be a pot of gold waiting for us in the Andes—a Brexiteer's El Dorado—

while our commercial relations with Ireland can be safely downgraded if necessary. I am sure that Peru is a wonderful place, but even if the whole of Britain gives itself over to a diet of quinoa and nothing else, Peru is never in our lifetime going to be a major trading partner for us. Ireland, however, is and can be. As the Irish President, Michael D Higgins, said of our two counties during his state visit to the UK in 2014, we live in the shadow but also in the shelter of one another.

The genius of the Good Friday/Belfast agreement was that it allowed different communities in Northern Ireland and in the south to identify with different parts of it and then with the framework as a whole. The open border between north and south and our east-west trade with Ireland, which is so central to the agreement, must be handled with great care in the dangerous slippery months ahead.

1.08 pm

**Lord Bew (CB):** My Lords, I thank the noble Lord, Lord Dubs, for securing this debate. I am well aware of his great experience of Northern Ireland and the time that he has given to it.

As a remain voter, I do not find it difficult to accept that the decision to leave the European Union has had destabilising effects in Northern Ireland. There is really no question about that; none the less, I am not sure that they have been carefully defined in this debate, nor has there been any attempt to sketch a way forward, given that this has happened. However, it is not just Brexit; alongside it is a perfect storm of the Irish language, the renewable heating initiative scandal and other issues relating to laws on abortion and gay marriage. All those things have come together in a perfect negative storm. It is not just Brexit but Brexit is the biggest issue and possibly the one that makes it harder to ensure the return of Stormont.

I accept that there needs to be clear evidence that there will be no hard border. I think it is in almost any conjuncture extremely unlikely—almost inconceivable—that there will be a hard border, but we need to have that in place. It needs to be visible for people before we are likely to get Stormont back.

I acknowledge the scale of the difficulty, but we have a way of talking about this that is not totally precise, and there is an ethical balance which is awry. For example, twice in this House today the fact that the DUP did not support the Good Friday agreement has been referred to. Sinn Féin also did not support it on the day. The noble Lord, Lord Dubs, was there on that day, and he knows it. The noble Lords, Lord Murphy and Lord Trimble, know it. It did not support it. The agreement came into being in effect as the result of a vote, a decision and an alliance between the Ulster Unionist Party and the SDLP. Sinn Féin brilliantly claimed later that it owned it, but it did not support it on the day, and, without the vote of the SDLP, we would not have had it. We do not owe the Good Friday agreement to Sinn Féin's vote.

But in this House it is only the DUP that was not there on the day. This indicates a certain sliding of the moral scales as we talk about this. It is a small indication, but an important one. As a matter of substance, just

read Sir Jeffrey Donaldson this week. There is no doubt that the DUP has come to terms with the Good Friday agreement in substance—that it had effectively come to terms with it was part of the agreement on supply and consent with the Government. So there is a way of talking about this which skews the balance in a way that is not accurate.

If I may say so, there is no proper way of discussing the impact on the psychology of Northern nationalists, which I accept has been harmful, particularly on the Catholic middle class—perhaps more so than on any other section of Catholic society. The Good Friday agreement allowed people to consider themselves citizens of Europe—possibly evolving towards Irish unity, possibly not—and continuing to enjoy the National Health Service and their pension from London as before. It allowed a very happy set of slightly conflicting assumptions in people's minds—but people like to live with slightly conflicting happy assumptions in their minds—and it has rather woken that up, because it is a certain type of assertion of the United Kingdom as a separate state, which is a problem. On balance, historically, I support the secret, very tricky—you could say dangerous—negotiations in March 1993 between the Major Government and the IRA. Let me point out to noble Lords the message from the British Government on 23 March, two days after the Warrington bomb which killed children, to the IRA leadership and Martin McGuinness:

“The final solution is union. It is going to happen anyway. The historical train—Europe—determines that. We are committed to Europe. Unionists will have to change ... The island will be as one”.

Nobody disputes that this message was actually sent. One can talk about whether it was wise or not—I can understand why it was.

None the less, the truth of the matter is that we are now not committed to Europe. The message is extinct. It is dead. It is an ex-message. That is the reality of where we are now, and life has changed for a lot of nationalists in Northern Ireland who would like to believe that something like that message represents the truth of things. We have to accept that. That is why we have to be very careful to put in counterbalances. For example, I think the British Government should support completely the Irish Government's recent suggestion that people in Northern Ireland should be able to vote in the Irish presidential election. We need to look at ways of bringing the scales back towards a compromise.

The fundamental choice referred to by the noble Lord, Lord Dubs, is still there, however. If a majority of Northern Ireland votes to join the Irish Republic, it can so do. That part of the Good Friday agreement is still absolutely in place, and it is accepted now by the European Union that the so-called East German solution is available: if Northern Ireland votes to join the Irish Republic, it will automatically join the European Union. Fundamentally, the glide path that nationalists like to live with for constitutional change of that sort on a democratic basis is still in place and in no way changed by Brexit. It is very important to note that.

The noble Lord, Lord Trimble, rightly made the point that there is not enough discussion in London about the dangers to the Irish economy of a no-deal Brexit. But the clatter in Dublin now is massive. All the



[LORD BEW]

think tanks, all the serious economists, all the newspaper headlines, the central bank headlines and ex-ambassadors all say how dangerous a no-deal Brexit would be to the Irish economy. This therefore means that there really is an exceptional impetus on us all to compromise at this point. Regarding the outlines of that compromise, the poorly negotiated transitional agreement of December 8 none the less contains language in paragraphs 49 and 50, and even just in paragraph 49—the European press point out that Michel Barnier always looks slightly ill when paragraph 50 is mentioned, because he does not like it and is trying to wriggle out of it—laying its emphasis on the consent principles. When you are talking about future regulatory change in Northern Ireland, it must be done in a way that protects the Good Friday agreement. You cannot protect it by riding roughshod over the principle of consent as it affects the unionist community.

It seems to me perfectly possible to draw up—as is probably necessary as a fig leaf for the Irish Government—some kind of legal provision, which would, as long as it keeps to the real principles of paragraphs 49 and 50, embody those principles, and be something that we could all live with, as long as we stay on 49 and 50, and not on the later, more fanciful, proposals of March from the European Union. That is a critical thing to bear in mind. The Good Friday agreement was not an agreement—I even used to hear Irishmen talking about it being “signed”, showing that they do not understand what happened—between nationalists and a few human rights lawyers. It was an agreement between nationalists and unionists. It is as simple as that, and the agreement can still be made the basis for a reasonable historic compromise.

Finally on this point, the White Paper, which I know many people dislike, clearly moves substantially towards resolving this question, because of the degree of regulatory and customs alignment it proposes with the European Union. I understand if any noble Lords hate it—I have good friends who intensely dislike it—but it is not possible to say that the Government are not driven by a policy that the Prime Minister says day in and day out that she is pushing in large measure because she thinks it helps to solve the Irish question. It is clear that it effectively removes a number of the possible regulatory, customs-based and other issues that might arise in the short term. It is as simple as that. It may not happen, but there is no question that it is her intent, and there is no question that that is what it would do if we had a deal based on Chequers.

1.16 pm

**Lord Judd (Lab):** My Lords, what I have found immensely reassuring about this debate is the constant repetition of concern about real people living in a real situation, and real communities trying to meet that situation. I thank most warmly my noble friend Lord Dubs for having given us the opportunity of this debate, with all his very direct experience. I thought his speech was very telling. I also thought, in particular, that the way he emphasised people and identity, and the significance of all this in that context, was a very important way to start a discussion on this subject.

There has been, of course, rightful tribute to all those involved in the Good Friday agreement. All I can say is that, as far as I was concerned, I have always seen the Good Friday agreement as one of the great outstanding landmark achievements, not only in British and Irish history but in world history. As noble Lords will be aware, I have done a great deal of work internationally on community building, and I have been able constantly to refer to the Good Friday agreement as an example of how progress can be made in most difficult circumstances towards reconciliation and the achievement of a sensible way forward. To jeopardise that would be a major tragedy—in the real sense of the word; I do not use it lightly—in terms of present politics as against great history.

Various individuals have been mentioned, and I am glad that they have been—all those individuals involved in the negotiations that reached the agreement. Tony Blair was of course totally committed as Prime Minister, and that was important. But we should never forget that John Major did much of the groundwork that made the way forward possible, and a warm tribute is due to him as well as to others. I am glad that the noble Lord, Lord Trimble, is in our midst; of course there was international recognition for him in the form of the Nobel Peace Prize, but we all owe him a debt of gratitude.

I said that people and identity have been stressed. This was strongly underlined by my noble friend Lady Armstrong, who gave substance to that argument. My noble friend Lady Crawley made a powerful contribution, speaking emotionally, in the best sense, about what all this community of work had achieved.

I always listen with fascination to the thoughts of the noble and right reverend Lord, Lord Eames, who again emphasised the importance of democracy and peacebuilding. It is very grave that we are approaching the conclusion of this saga of British membership of the European Union with Stormont not operating. We are talking about the people of Northern Ireland and all that this means for them, without there being a formal political institution in which they can speak for themselves and contribute to this issue. That is a grave matter that we need to take seriously indeed.

When my noble friend Lady Crawley spoke I thought of my own involvements in Ireland and Northern Ireland. I remember when I was Minister for the Royal Navy and had responsibility for the Royal Marines, I always made a point of visiting the Royal Marines when they were on service in Northern Ireland. When I was subsequently Minister of State at the Foreign Office, I was delighted on one occasion to make a formal visit to Dublin. The extent to which the atmosphere has changed is beyond belief. My noble friend Lady Crawley talked about the removal of watchtowers and all that, and how people are now able to live normal, real lives and to be active together.

My last point in this important debate is that there have been courageous people at very modest levels of society who have made their stand over many years. I have been chief executive of two organisations which worked with people in Northern Ireland and in the Irish Republic, before the agreement and subsequently. We have never had any difficulty whatever in the work



we have been trying to do together on international understanding, reconciliation and peace. These people have shown us what commitment to a decent, caring and just society can mean and what it can achieve. Let us keep those people at the centre of our attention and not become involved in an intellectual rigmarole of constitutional and legal jargon, and all the rest. That is of course vital, but we are talking about people being able to build their society together when so many want to be able to do just that.

1.25 pm

**Lord Alderdice (LD):** My Lords, I too thank the noble Lord, Lord Dubs, for giving us an opportunity to discuss this question, and I hope that this debate is part of a rather belated but important exploration of how we can find a constructive outcome to the situation we find ourselves in.

When the question of the Brexit referendum arose, colleagues here in the rest of the UK, knowing that I was pro-remain, asked if I would be prepared to run a pro-remain campaign in Northern Ireland. I said I certainly would not, and they asked, “Why? Have you changed? Are you pro-Brexit?” I said, “No, but I have spent most of my life trying to help people from different perspectives come and work together on practical political issues, and I know perfectly well what would happen if I were to do such a thing. As a former Alliance leader I would find lots of support in Alliance, Sinn Féin, the SDLP and people in the Ulster Unionist Party, but the DUP would immediately go in the opposite direction and we would have reinstated a split that some of us have spent most of our lives trying to resolve”. They asked, “Are you going to do nothing?” I said, “Of course I’m going to do something. We’re going to conduct a public conversation about these questions and give a platform and an opportunity to people right across the political spectrum to express their views and engage with each other, and to try to find a way forward”. They said, “What about Nigel Farage?” I said, “We’ll give him a platform too”. Indeed, the more times we gave him a platform, the more things moved towards remain in Northern Ireland. In the end, the Ulster Unionist Party changed its position and said it was pro-remain—Mike Nesbitt told me that it was almost unanimous—and the DUP moved to a position where they said that “on balance” it was pro-Brexit. That means that there had been a lot of thinking about it and engaging in debate, which was constructive and good.

We are dealing here—we know this from our process—with a complex set of relationships, and relationships do not conform to regulation. You have to be careful how you handle them so that you do not make the situation much worse. In fact, the key development we discovered in the process in Ireland was that the problems we are dealing with are not primarily economic or social, or about legalities and policing and the administration of justice, although those are all important things. They are primarily about dealing with disturbed historic relationships. When you have addressed those issues, all those other things can come together in a sensible way. Of course, at that time we were enormously helped by the fact that the historic disturbed relationships within Europe as a whole and between Britain and

Ireland were being much more fruitfully dealt with in the context of the European project—at that stage the European Union. Our relationships with the United States were also much improved at that time, because we had people in presidential office who understood the nuance and complexity, in their own country, in their relationship with Europe, and with the British and Irish Governments together.

There were therefore five key sets of relationships: those two I just mentioned, the relationships between Protestants and Catholics and unionists and nationalists in the north, between north and south, and between Britain and Ireland. All five sets of relationships are in trouble. They are not all in trouble because of Brexit; Brexit is an outcome of the fact that these relationships are all in trouble. We need to think an awful lot more about why the politics of the world has changed so that now political leaders do not regard themselves as great statesmen because they are resolving conflict but because they are conducting it. We have to face the reality of where we are, which is that these relationships are not good. Will the Minister take back to his colleagues the importance of addressing all these sets of relationships much more than the question of regulatory detail? I have certainly been passing the message to our friends in Dublin that the Taoiseach’s stance would be much more helpful if it were also addressing those sets of relationships and not just those within the 26 southern counties. That is a temptation for any Taoiseach, of course, but one that previous Taoisigh ignored for much of the last two or three generations.

But relationships change. In that marvellous book by Sellar and Yeatman published in 1930—a profound historical tome called *1066 and All That*—they remarked that in his declining years, Gladstone had tried to find an answer to the Irish question, but just when he thought that he was getting warm, the Irish secretly changed the question. In those days, that was regarded as a negative thing, but people in Ireland are now changing the question in a positive way. No one in Northern Ireland looks at the south of Ireland as a priest-ridden state. On the contrary, social and religious questions in the rest of the island have changed much more dramatically than even in the north. Who is the Garda Commissioner now? It is Drew Harris. His father was in the RUC; he was one of the most senior members of the PSNI; he conducted the counterterrorism operations. My goodness, it was hard for me as Alliance leader to get a meeting with the Garda Commissioner. Now the Garda Commissioner is a member of PSNI, as was.

Things have changed and they have changed politically. A lot of talk has been going on about unionists and nationalists, but the major change in politics in the last 20 years is that there are now three components—three cohorts—in the politics of Northern Ireland. There are the unionists, the nationalists and republicans and a third cohort of largely younger people who have a wholly different set of understandings, socially, economically and politically. A number of colleagues from Northern Ireland have expressed this by saying how much things have changed, and they have. It means, for example, that the leader of the Alliance Party now does not feel that it is her job to bridge

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between the unionist and nationalist parties, but to present an alternative view in politics which she would describe as a progressive political view. That is different because it is a different place. Relationships have changed.

There is no prospect of going back to political violence because people on the republican side have come to realise that IRA violence was the thing that stopped leading to any sense of unity. It is more likely that over the next 20 years—or even the next three or four years—we could well be in a situation where Sinn Féin was in a coalition Government in Dublin and back in Belfast, and de facto, from its point of view, politically uniting the island of Ireland. Will republicans risk all that by returning to a violence that never worked for them or anyone else? I do not believe so. So I plead with noble Lords to recognise that history is important, but it is the past. In Ireland, we are trying to leave that painful and difficult past behind. Please do not push us back towards it.

Please resist the temptation to fight the battles that you want to fight here about Brexit by using us as some kind of vicarious battlefield. You will only make the situation worse, not better. Things there have changed and are changing for the better. Relationships do that. Relationships change, positively and negatively, but they never change in a linear way. They are complex. Sometimes, the things that you do to bring about one kind of outcome have the opposite outcome from the one that you expected, which we all know in politics. The more that Sinn Féin and politicians in the Republic of Ireland push in an angry way against Brexit, the more they will make unionists stubborn. The more they work to try to build a practical relationship by co-operating together, the more people will become more open. Indeed, if Brexit turns out not to be as successful as those people who voted for it hoped, it is highly possible that a majority of people in Northern Ireland in the next 10 or 15 years will say, “Maybe we would be better off in the European Union”, and will be prepared to vote in that way. If that is the case, the Good Friday agreement, as noble Lords have said, permits and facilitates that. It does not obstruct it. Please allow the relationships to grow and develop in whatever way they do and do not use us in an internal struggle here.

When it comes to relationships, they are mostly not about high principle and high-flown language, and they are certainly not about the low. They are about practicalities and emotionalities. When we were trying to get somewhere in our negotiations towards the Good Friday agreement, every time people started to speak in terms of high principle, the gap opened up. But when we started to talk about practicalities, it became apparent that we could work a lot together. The Foyle Fisheries Commission became a model because the practicality of fishing is that the fish do not recognise a border. If you are going to have fishing on both sides of the border you have to work together, and since the early days of Northern Ireland, that had worked.

To talk about practicalities, if the British and Irish Governments, for example, could reach an understanding on agriculture, the agri-food business and energy, and present that to the European Union and say, “You can

do whatever you like with the rest”, that would deal with 95% of the cross-border trade. It would not deal with the England/Ireland trade but cross-border trade.

I appeal to noble Lords to allow the relationships that have been developing at home to continue to develop in a constructive and nourishing way. Who knows? We might, believe it or not, be able to set an example to other places about how we move through a transition, and our current political difficulty is largely one of making that transition to a new dispensation rather than sliding back to the bad old times.

1.36 pm

**Lord Murphy of Torfaen (Lab):** It is always a great pleasure to follow the noble Lord, Lord Alderdice. He, like the noble Lord, Lord Trimble, myself and my noble friend Lord Dubs, who successfully opened this debate, were all members of the class of 10 April 1998—as of course was the noble Lord, Lord Bew, and the noble and right reverend Lord, Lord Eames.

It has been a fascinating but difficult debate, because these are difficult issues set against the background of a number of things. First, we are now obliged by law, by the European Union (Withdrawal) Act, to consider these matters in the question of how we deal with Brexit. We decided that only weeks ago. Secondly, it is against the background of the current uncertainty about how we deal with the Brexit negotiations—central to which, of course, is the position of the Democratic Unionist Party. Thirdly, it is against the background of 56%—a clear majority—of the people of Northern Ireland voting to remain in the European Union.

Can the agreement actually survive Brexit? Of course it can. I have not the slightest doubt that the Good Friday agreement is as robust as it has always been. It has been challenged, but it will survive. The basic principles that underlie it of consent, parity of esteem and the other issues that we discussed during the lead-up to the Good Friday agreement have not changed. After all, people in the north and south of the island of Ireland voted for it and I have absolute confidence that, were there to be another referendum on the terms of the Good Friday agreement, north and south would vote for it again. The biggest threat is not Brexit but the fact that the institutions of Northern Ireland are not up and running. There is no Assembly. There are no north-south bodies and everything else that goes with that. That is the real threat to the Good Friday agreement.

Also—and this is important to understand because a number of noble Lords have raised it—there are strains that are having an impact on the Good Friday agreement as a result of Brexit. Of course there are. Community relations have been strained because of it. There is no question but that some nationalists and republicans believe that Brexit gives an opportunity for a border poll to achieve a united Ireland much more quickly than anybody would have thought, and there are some unionists, although by no means all, who see it as a way of securing the union and strengthening their Britishness. The border is inevitably an aspect of strain on the Good Friday agreement. It is also obviously an issue in itself, otherwise we would not as be stuck as we are at the moment trying to resolve it.

I was in Ireland last week and I travelled for the first time on the train between Dublin and Belfast—a packed train, incidentally, with not a seat available on it. As you come up to and cross the border, you do not know you are doing it. The only way I found out that we were actually in Northern Ireland was by asking my travelling companion about the number plates on the cars—and even that does not always give you the answer. It is a seamless border and there is no question but that over the past 20 years what had been a border rooted very much in security at the time when the Good Friday agreement was being signed has now gone. The border is blurred. The borders between people in the north and the south and between the peoples of the north of Ireland have been blurred—so that is without question an issue.

The noble Lord, Lord Trimble, raised an interesting point: the impact of Brexit on the Republic of Ireland will be greater than on any other country of the European Union—and in many ways greater than the impact on Northern Ireland itself. Over the past months and years we have seen the obvious technical and legal insistence by the Irish Government to be part of the 27 in the negotiations. Because Ireland knows a lot more about what happens on the island of Ireland than the European Union, there should have been more bilateral discussions between the Irish Government and the British Government. I do not have the slightest doubt on that. When we made the agreement in 1998, we were all members of the European Union; it was the backcloth to what we were doing. Right through the agreement in strands 1, 2 and 3, reference is made to the European Union and our common membership; we were in the same club. Because of that, it was much easier to make the agreement.

While I was in Ireland, both north and south, last week, I looked at the issue of security, which I am not sure has been given sufficient attention in our negotiations over the past months. The police forces on both sides of the border are deeply troubled by the possibility that any sort of border apparatus or establishments might be set up which could then be targets for attack by dissident republicans. There is no question at all but that that is a huge issue. Putting that apparatus back up would create a huge security problem, as would the absence of the European arrest warrant and the fact that we would no longer be members jointly of Europol and Eurojust. All of those things will make it more difficult to catch criminals who flee to either side of the border. These are issues that ought to be considered and I hope that the Minister will be able to tell us something about them.

This week the House gave a Second Reading to the Counter-Terrorism and Border Security Bill, which will have an effect on the common travel area. There is no question about that. It could mean, for example, that trains are stopped in Portadown and Newry and people's passports checked in a way that they are not at the moment. There may be good reasons for that from a security point of view, but it is an aspect of our leaving the European Union that, again, has an impact on the very old common travel area. The idea that somehow we cannot treat Ireland differently from the rest of the European Union is negated by the fact that

we do have a common travel area between our two countries and we treat the situation in a unique way that we do not elsewhere.

My noble friend Lord Dubs raised the issue of citizenship. One of the most significant aspects of the agreement is that in Northern Ireland you are able to be Irish, British, both or, I suppose, neither if you so wish. Under the new dispensation, if you are an Irish citizen holding an Irish passport but you come from Northern Ireland, presumably you are a citizen of the European Union and therefore you will be allowed all the privileges that that citizenship gives you, whether it be free movement to other countries, access to health services in France and other European nations or whatever. That of course puts the British citizen at a disadvantage who does not have European Union citizenship. That is another issue which will have to be grasped over the next few months.

Strands 2 and 3 in particular of the agreement, covering north-south and east-west, will inevitably be affected by our leaving the European Union. The north-south bodies rely heavily on European money. What will happen when the money disappears? Will the Government guarantee its replacement so that what those bodies do, reliant as they are on EU money, can continue? Also, as has been mentioned by a number of noble Lords, because of Brexit, relations between the Irish Government and the British Government are not as good as they have been. We have to ensure that those relations are dealt with and improved as the months go by.

There seem to be two problems. We are facing two major negotiations in Northern Ireland at the moment, one on Brexit and the other on the restoration of the institutions. We have no Northern Ireland Ministers having an impact on these negotiations, which is tragic. I hope that the institutions will be restored as soon as is humanly possible. I know that the Minister and the Secretary of State are now in intensive talks with the parties in Northern Ireland. They have to talk about Brexit and its impact on all the matters that have been discussed in this debate—but, most significantly, they have to ensure that over the next few months we return to the restoration of those institutions so that we can have up and running a proper Assembly and Government in Belfast which will themselves be able to deal with the issues that your Lordships have dealt with in this debate.

1.46 pm

**The Parliamentary Under-Secretary of State, Northern Ireland Office and Scotland Office (Lord Duncan of Springbank) (Con):** My Lords, I always come to the Dispatch Box with a prepared speech, but I always find, during the first half of the debate, that while that preparation may have been broadly useful, it is not necessarily instructive. I find myself again paying tribute to the noble Lord, Lord Dubs, for calling for this debate at this time. Perhaps now more than ever, this is the critical aspect of the ongoing negotiations between the UK and the EU.

Let me try to find a way to begin the journey into the discussions we have had. The Belfast/Good Friday agreement is an historical document; it is history, and



[LORD DUNCAN OF SPRINGBANK]

as the noble and right reverend Lord, Lord Eames, has reminded us, we cannot rewrite that history. There is a quote from Seamus Heaney that is helpful here:

“If you have the words, there’s always a chance that you’ll find the way”.

That is where I believe we are right now. There is no doubt that, in this House, support for the Good Friday agreement is solid and sure. I am always seeking out synonyms for “steadfast” and “unwavering”, so I will add “abiding”, “unfaltering” and “resolute”, to the vocabulary I used the last time we discussed these issues. The key thing about the Good Friday agreement is that it brought about change for the good. Many noble Lords in this House were the mechanics who were instrumental to ensuring that that change could be put into writing. That in itself is an extraordinary thing.

There has been a peace dividend from the agreement. As the noble Lord, Lord Browne of Belmont, reminded us, anyone who has spent time in Belfast of late can cast their eyes towards the horizon and look at the cranes and gantries being used to build a new Belfast. I stood on one of the upper floors of Ulster University looking at the extraordinary investment being made in the future of the young people not just of Northern Ireland, and not even just of Europe, but across the globe as the university recruits the brightest and the best into Northern Ireland. That is an extraordinary thing.

The noble and right reverend Lord, Lord Eames, has been paying attention. It is indeed my first anniversary in the job. As many noble Lords will be aware, the traditional gift for an anniversary of one year is paper, and I can think of no greater paper than the White Paper which has been put forward by the Government—I gently segued that in there. But in modern parlance, the gift now being given is not paper; it is a clock. Who could think of a more telling metaphor right now than the clock as it ticks its way towards that point next March when we will reach the end of our current relationship with the EU and begin to forge a new relationship with the EU?

There has been talk in the debate of the backstop position. The backstop position, mentioned in the joint report published in December last year, has been parsed, examined and marshalled in different ways. Let me stress at the outset that the first and most important aspect of the backstop position is that it should never need to be used. The backstop is there to provide a safety net for the discussions, during which we can forge that new relationship with the EU and, as the noble Lord, Lord Murphy of Torfaen, reminded us, importantly, with Ireland itself.

I concur wholeheartedly with the noble Lord’s view that the bilateral discussion between Ireland and the UK should have been more significant. Whatever way one wishes to look at this, the EU 27 will be able to negotiate strongly together, but the island of Ireland itself is at the heart of this: it is where the rubber meets the road; it is where the border is a counter between the EU and the UK. Those discussions should have been prioritised alongside the others. They should certainly have been there.

As we consider that we are in the middle of negotiations—actually, we are not in the middle anymore, let us be frank; we are probably past the final furlong post and now in the home stretch—noble Lords will be aware of the elements of the current Chequers arrangement. That seeks to find a means to secure a common rulebook for agri-food produce and manufactured goods—again, this is the bulk of the trade which crosses the land border and, indeed, the sea border between Ireland and the UK.

Now the position which the Prime Minister has adopted has been published and is available, and the question is: what emerges then from those negotiations with the EU? There have been various different noises, all from various comments being passed, but the clear thing right now is that an agreement is in everyone’s interest. As a number of noble Lords today have pointed out, we would suffer and struggle through a bad or no-deal Brexit—there is no question of that. Ireland, too, would be at the sharpest point of its experience. It too would suffer and struggle through that particular process.

Indeed, that is why the backstop position is there: to ensure that, should we not in this particular moment be able to secure the appropriate relationship, the UK as a whole—not divided up across any internal borders—remains within the customs union until such time as we can secure the appropriate, developed, sensible relationship between the EU 27 and ourselves. Let us hope we do not need that backstop, because, at the present moment—

**Lord Adonis:** Did the noble Lord just say that the United Kingdom as a whole will stay in the customs union until such point as a future trading relationship has been agreed which is satisfactory to the Republic of Ireland?

**Lord Duncan of Springbank:** I did not say, “which is satisfactory to the Republic of Ireland”. I said that the situation is that, if we are unable to secure an agreement, we would then need to invoke the backstop as it was drafted in the joint report, which was published in December 2017 and is still available. That backstop position is clear: we will not allow one part of the United Kingdom to remain in some union with the rest of the EU 27 while the rest of the UK is not in such alignment. There needs to be a position whereby the UK as a whole experiences no internal divisions, no internal borders, no means which restrict the flow of goods or services across the Irish Sea or across the Irish border.

The key aspect of this, and the core aspect, is to negotiate and deliver a settlement which means that the backstop is just historical, a document which you can read, but which has never been invoked; which is instructive about our engagement with the process, but is not being moved forward because it is simply an historical document.

It is important that we recognise that Northern Ireland will remain a part of the UK, based upon the principles of consent enshrined and framed within the Good Friday agreement. Again, nothing will influence or change the language of that agreement. At that

time where there is a movement in the province of Northern Ireland, the Good Friday agreement will support that movement in that particular direction. That was its purpose. That was why the agreement was so subtle and so clever in putting together that particular aspect.

It would be useful for me to spend a moment or two talking directly about the four questions which were raised by the noble Lord, Lord Adonis, because they were, in some ways, instructive. I believe I have answered the first, the question about whether Northern Ireland will be in a customs union while the rest of the UK is outside, even if only on a temporary basis. The answer to that is no.

Regarding suppression of trade, or any of these aspects, the ambition right now is to ensure that that soft border remains until such time as it is replaced by the appropriate relationship between the 27 and the one—between the UK and the remainder of the EU.

Regarding freedom of movement, there has been talk again of the common travel area. As a number of noble Lords have noted, this dates back to 1922. It will not change, and it will allow the freedom of movement of people within the island of Ireland. Now, I see the noble Lord, Lord Davies, looking quizzically at me, because he asked a very different question about that, which was about what then happens if you find an EU national who, by one means or another, finds himself in Ireland with the freedom, then, to cross the border into the north. I may be paraphrasing slightly, but I believe that is the core of it. In truth, there is a risk of that today. That is why the intelligence shared between Belfast and Dublin is so strong.

**Lord Davies of Stamford:** My Lords—

**Lord Duncan of Springbank:** If I may answer the question first, the noble Lord can bob up afterwards. The reality remains that, right now, were someone to come into the EU via Ireland from outside the EU, they too could go to ground by crossing the border if they were so minded to do so. They would remain an illegal migrant at that particular point, and they would be unable to draw upon any of the services or opportunities of employment in the north or in the rest of the UK. I will give way.

**Lord Davies of Stamford:** I thank the Minister for giving way and for addressing my question, but I do not think that he has fully understood it. At the present time, that Bulgarian in my example can come here, either from Ireland or Calais, because we are part of the European Union, with a system of freedom of movement. If we leave the European Union and the area of freedom of movement, so that the citizens of the other 26 countries in the Union will not be able to come here freely as they can at the present time, and if we still have freedom of movement within the island of Ireland, then my question is clearly relevant. If the Bulgarian comes to Ireland, which he can do today quite legally, it will no longer be the case that he can come here quite legally without any formalities at all; however, he is physically able to do so because of the absence of any restrictions—rightly, in my view—either between the border of Northern and south Ireland or between Ireland and Britain.

**Lord Duncan of Springbank:** Schengen is an important aspect, but I do not believe that Bulgaria is part of the Schengen arrangement as yet, nor is Ireland. Ireland would be responsible for tracking any individuals who cross into it as a third country, because that is broadly what they are able to do. If somebody held a Bulgarian passport, that would mean that their ability to find work in this country would be subject to the various immigration restrictions which pass for that particular passport. That is how it would work in practice. I would like to make a little bit more progress on some of the other points.

The final question which was asked by the noble Lord, Lord Adonis, was how long the Government will give. I could be clichéd and say, “sufficient time”, which would be correct, in that sufficient time will indeed be given. The important thing is not to create some sense of bounce, so that the democratic institutions of this country are somehow or other caught off-guard, and, lo and behold, in the darkness of night, we are looking backwards to discover something has happened in the rear-view mirror. That is not the intention, nor the ambition. I do not doubt that the noble Lord, Lord Adonis, will make that point strongly in many other good offices as well. I think that the key thing here will be that adequate time is given to ensure that what emerges from the negotiations that will take place over the next few months will be brought back here, to the other place and to this particular Chamber, for full debate and discussion. I do not doubt, given the choppy waters that the previous Bill experienced, that there will be serious debate in both Houses, and that that debate itself will be of the highest standard. I will take the noble Lord’s point through very quickly. I am now on a time limit.

**Lord Adonis:** Would the noble Lord care to elaborate on what adequate time is? Would he, for example, agree that less than two weeks would not be adequate?

**Lord Duncan of Springbank:** I certainly think that time will be given. Whether indeed it is two weeks and that is deemed adequate, I cannot answer. I suspect that that will ultimately be above my pay grade. What I will say and can say is that, if this House or the other place have not completed their deliberations, I do not believe either Chamber will allow this to move forward on that basis. I believe that matter will rest with your noble Lordships here and with the Members who speak in the other place too. I do not believe that we will find ourselves hustled and huckled into an agreement on such a historic, defining aspect of our relationship with the EU and our integral relationship with Northern Ireland. I do not believe that will be done in a swift, “You looked away one moment, you came back and suddenly discovered it had been done in your absence” manner. I do not believe that that will happen, because I believe that noble Lords here would not allow it to happen, nor would those who sit in the other place.

The important thing, if we can find ourselves in the right place, is to recognise a core aspect, the vision aspect, of where we are. The Government will not allow lines to be drawn that divide the component parts of home nations of the United Kingdom. That is

[LORD DUNCAN OF SPRINGBANK]  
the first red line. The EU appreciates that, I believe. It is not in its interest to try to create a situation whereby that becomes a problem.

By their very nature, negotiations are best served without a running commentary. We have had a problem over the past few months with so many commentaries running in so many directions and given by so many participants that it has been difficult for the wider public to appreciate what is going on. More importantly, as a number of noble Lords have said, there is almost a surrogacy aspect in Northern Ireland, in that the citizens of Northern Ireland find themselves the cat's paw for bigger discussions on a particular aspect of the wider trade relationship, freedom of movement or some such thing. We are left with what is, at the heart of this, the most important thing to stress: the people of Northern Ireland are important. That is the end of the sentence. They are not important because of what they offer to other aspects of the debate. Clearly, the Belfast/Good Friday agreement must remain at the heart of our engagement with the EU.

The issue of funds was raised. Again, the EU is an important participant in the funding of the cross-border arrangements. It will continue to fund those because, of course, it will still be partly responsible. The UK will meet its obligations and responsibilities in this regard. There will be no issue of underfunding cross-border institutions to their detriment; that would be short-sighted and foolhardy. We will not move forward with something like that.

It is important to recognise that, in the coming weeks, a number of the issues that have given concern to your Lordships today will be resolved. That is the purpose of the negotiations. If the terms of the Chequers agreement, which forms the basis of the negotiations, remain as they are drafted today, I believe that they will deliver the freedom of trade that will ensure the softest possible border with the Republic.

Importantly—this will be important for our shared democratic institutions—the people have to be able to appreciate what those terms are. To go back to the point made by the noble Lord, Lord Adonis, we cannot bounce the public of the United Kingdom, Northern Ireland or anywhere else into some sort of deal that does not stand the test of close scrutiny shining the sharpest possible light on it. The trade that passes east-west and the trade that passes north-south are absolutely integral, and it is upon those foundations that we find ourselves able to build that peace dividend. With that economic certainty, we can deliver an outcome for the people of Northern Ireland.

It is correct to say that the voices of politicians in Northern Ireland have not been heard as they should have been in the Brexit discussions. We understand the reasons for that, shameful though some of them may be. The Northern Ireland Civil Service has played a significant role in ensuring continued dialogue, but that is not how it should be. That is not what is meant to be happening; I cannot stress that enough. The key aspect over the next few weeks, during the window that will be opened by the Secretary of State for Northern Ireland to give the final impetus to ongoing discussions there, will be delivering an Executive. It is

not too late to do that. I hope everyone here will join me in hoping that we will secure an outcome that delivers an Executive in good enough time to be part of the final stages of the Brexit deliberations and discussions.

It will not be an easy journey. I suspect that all those who have said, sometimes erroneously, that this was always going to be easy may have been slightly exaggerated in their assertion. The reality remains that this is a challenging time; it was always going to be so, frankly, because these are negotiations on such critical aspects. The EU is defining itself without the UK and the UK is defining itself outside the EU. This is the moment of maximum turbulence, as often happens just before landing on a runway. Now, the key is making sure that we land with all wheels on the runway, taxiing to a gentle stop out of which emerges a safe and secure Brexit—one that is good for Northern Ireland, Ireland and the people of the United Kingdom and which allows us the foundation to develop an important relationship, building on the one we have had for the past 40 years, with the rest of the EU. That is our ambition and where I hope we will be, but we are at the end-point of the negotiations. We may still be heading towards the runway, but the rubber has not yet met the tarmac.

2.04 pm

**Lord Dubs:** My Lords, I am grateful to all noble Lords who took part in the debate. I must say I found it particularly fascinating. I cannot do justice to what has been said; there were too many interesting speeches. I will just say that I hope the result of all this is that the people of Northern Ireland and the people of the Republic do not feel let down. I hope that we will bring this to a satisfactory conclusion that reflects the high aspirations of the Good Friday agreement, which will continue to be the keynote or basis for future relations in Ireland.

*Motion agreed.*

## Student Loan Books

### *Statement*

2.05 pm

**Viscount Younger of Leckie (Con):** My Lords, with the leave of the House, I will repeat a Statement made in the other place by my honourable friend the Minister for Universities, Science, Research and Innovation. The Statement is as follows:

“Mr Speaker, I would like to explain to the House the rationale for the sale of the student loan book and make some important points. First, this sale will categorically not result in private investors setting the terms or operating the collection of repayments. Loans in scope will continue to be serviced by Her Majesty's Revenue & Customs and the Student Loans Company on the same basis as equivalent unsold loans. Investors will have no right to change any of the current loan arrangements or to directly contact borrowers. Furthermore, the Government's policies towards student finance and higher education are not being altered by



this sale. These older loans, whose borrowers benefited from lower tuition fees as well as lower interest rates, are not in the scope of the current review of post-18 education and funding.

I am clear that this sale represents an opportunity for the Government to guarantee money up front today rather than fluctuate in uncertain payments over a longer period of time. This allows the Government to invest in other policies with greater socioeconomic and social returns. We would only proceed with the sale if the market conditions remain favourable and a final value for money assessment is positive”.

2.06 pm

**Lord Watson of Invergowrie (Lab):** My Lords, I thank the Minister for repeating the Statement. I have to say, it contains rather less detail than the announcement headed “Government Asset Sale” that appeared on the website yesterday evening.

I listened to Mr Gyimah’s exchange today with my colleague Angela Rayner, the shadow Secretary of State. Unfortunately, he dodged all of her questions on the valuation of the loans the Government are selling. He simply confirmed that the Government would forgo the 25-year revenue stream in favour of a one-off receipt. I hope that the Minister will be more forthcoming. Will he tell noble Lords whether the Government have identified a minimum amount to be raised—that is, an amount at which they will decide that the sale would simply not be financially viable? Previously, the Government have said that they will raise £12 billion by selling off these loans, but will the Minister tell us the total value of the loans that will need to be sold to achieve this? Will he also explain how the apparently random figure of £12 billion was calculated? Mr Gyimah said that he would share the range of estimates with Back-Bench Members in another place. Is the Minister in a position to confirm that this information will also be shared with Members of your Lordships’ House?

The Government have said that the revenue from selling off student loans now will enable them to invest in vital public services today. We all know that the Treasury has the final say on specifically where this windfall will go, but surely most, if not all, of it should be reinvested in the education budget; goodness knows there is a need for it.

I will mention just two areas. First, the schools budget is in such a dire state that last week, 2,000 head teachers—yes, head teachers, no less—demonstrated outside 10 Downing Street to highlight their predicament. As we heard in Oral Questions today, that led to the Schools Minister issuing misleading statistics to cover up the true position on schools funding. Secondly, further education has suffered dreadfully over the past two decades, losing more funding than any other education sector. Next week, we will see a lobby on Parliament by colleges and their staff in an attempt to highlight and begin to redress the funding cuts they have endured. Those are just two areas of education in vital need of additional funding. The £12 billion that the Government say they will raise would go a long way to filling those gaps. What effort will the Minister and his colleagues make to ensure that a

major chunk of the proceeds from the second sale of the student loan book will return to the education budget?

**Viscount Younger of Leckie:** I thank the noble Lord for his questions. The detail in the WMS that we issued yesterday was pretty comprehensive, but perhaps I can help the noble Lord by adding a few things.

Yesterday, we announced the start of the process for the second of these sales. It relates to the selection of loans that became eligible for repayment between 2007 and 2009. They have a face value of £3.9 billion but, for commercial reasons, we cannot disclose what the Government think the retention value is, particularly as we are pursuing this programme of sales. I am sure that the noble Lord will understand. He will know that the Government received cash proceeds of £1.7 billion from the first sale of the student loans and the reduction in the PSND.

Another question the noble Lord raised concerned the proceeds that will be received by the Treasury. Yes, they go to the Treasury and it is up to the Treasury to decide how to spend them. I cannot confirm whether those funds will go to the DfE.

**Baroness Garden of Frogston (LD):** My Lords, unlike any other loan available in the UK, repayments for a student loan are paid through PAYE and are dependent on how much somebody earns. Given the multiple problems with student loans, as outlined so admirably in the report by the noble Lord, Lord Forsyth, can the Minister say what consideration the Government are giving to reforming student loans into a graduate tax?

**Viscount Younger of Leckie:** The issue of a graduate tax may or may not be included as part of the post-18 review. What we have made clear is that a matter of taxation, or something related to taxation, should not be included in that. On the question concerning the Student Loans Company, the noble Baroness will know that a new permanent appointment has been made to that company and that matters have been taken forward to ensure that it continues to work as well as it can. It is ongoing work.

**Lord Cormack (Con):** My Lords, would my noble friend assure me that he will take great care to ensure that my noble friend Lord Forsyth’s admirable report is taken fully into account? Will he also bear in mind the cogent and sensible points made by my noble friend this morning when he talked about the burden of interest?

**Viscount Younger of Leckie:** Indeed, my noble friend is right. My noble friend Lord Forsyth will know that I have taken a keen interest and looked carefully at the report he wrote as chairman of the Economic Affairs Committee. A number of recommendations were made by his committee and we have provided a response. We are taking it very seriously. I hope that reassures my noble friend.

**Baroness Blackstone (Ind Lab):** My Lords, given that the sale of student loans in the past has led to considerable loss of revenue, can the Minister tell the House what the long-term fiscal justification for this policy is?

**Viscount Younger of Leckie:** It relates back to the first sale of student loans: the Government take a view as to whether it is right to hold on to the loans or to effect a sale and exchange an uncertain stream of future cash flows for a certain amount today. The Government assess whether we are better off retaining the loans rather than selling them by considering the opportunity cost of not having the money now for other issues. Those decisions are very carefully thought out, and that is the case for this second stage.

**Lord Forsyth of Drumlean (Con):** My Lords, is it not obvious that this is a piece of fiscal chicanery? My noble friend refers to the decision to sell the phase 1 loan book and to the loans having a face value of £3.5 billion—I think that was the tranche of loans sold at the end of December 2017. They were sold for £1.7 billion, with £1.8 billion written off. Does my noble friend agree with the OBR's view that the plan to sell £12 billion of plan 1 loans up to 2021 will result in an undiscounted loss to the taxpayer of £28.1 billion?

More importantly, on my noble friend's point on interest, the Government have been taking credit for the interest which has not been paid and which will be written off 30 years down the line. Given that these loans are going to be sold off to the private sector, with the interest paid to the private sector, why are the Government not adjusting the national accounts to take account of the loans they have taken credit for but which will never be repaid?

**Viscount Younger of Leckie:** I do not agree with the assessment of my noble friend. The figure I have from the OBR is not £28.1 billion but £23 billion. Whatever the figure, a lot of money has been put down. The forecast from the OBR is based on a nominal undiscounted cash projection, and this implies that the £28.1 billion received 30 years from now—or the £23 billion; whichever we agree upon—has the same value as £28.1 billion today, which is not the case. We have to account for inflation. Similarly, the lack of discounting means that none of the risk or uncertainty associated with those cash flows has been captured in the £28.1 billion. We have to discount for the riskiness of the asset. It is a complex issue, which my noble friend will know.

**Lord Addington (LD):** My Lords, is it not clear that the current system is actually costing us quite a lot of money? That seems to be the one thing that is clear. Will the Minister give us some assurance that, if we are looking at this in the future, and are going to discount this money eventually, we might give a slightly more beneficial settlement to current students?

**Viscount Younger of Leckie:** Part of the rationale for looking at a sale now is because market conditions are considered to be right. The money is certain money which comes to the Treasury and can then be used to better effect in other areas, which, as I said earlier, is up to the Treasury to decide.

**Lord Forsyth of Drumlean:** My Lords, we still have time, and my noble friend did not answer my question. Given that the Government have taken credit for

interest payments which have not yet been received in the national accounts, will the national accounts be adjusted to reflect that? Also, does he agree with the OBR assessment that it is not obvious why selling these loans at such a loss is of net benefit to the taxpayer?

**Viscount Younger of Leckie:** There are some further points I can make on my noble friend's first question. The figure he gave does not take into account the opportunity cost to Government of having the money tied up in loans. My noble friend will know that there are two types of interest rate: the lower rate and the higher rate. I will write to my noble friend with an answer giving him the detail of that.

## Employee Shareholding and Participation in Corporate Governance

*Question for Short Debate*

2.16 pm

*Asked by Lord Haskel*

To ask Her Majesty's Government what assessment they have made of proposals for greater employee shareholding and participation in corporate governance.

**Lord Haskel (Lab):** My Lords, this is a topic on which there is a surprising amount of agreement. It is because of the increasing erosion of public confidence in business that all the recent party conferences discussed it. They debated how to reshape business and shake up the way it works. It was caused by worries about the energy companies ripping off their loyal customers, and drew approval at both the Labour and Conservative party conferences. Disgust at the bonus paid to the chief executive of a housebuilding firm in York, which would pay to house all the homeless there, also drew cheers at both party conferences. This puts intervention by government on to the political agenda.

So what is to be done? There seems to be a degree of unanimity. Both parties agree on the need for greater boardroom diversity, with employees being an essential part of that diversity. Employee shareholding has been Labour and Liberal Democrat policy for some time, and only the other day a past deputy chairman of the Conservative Party suggested that there should be tax incentives for those who share profits and equity with staff. It is right that there should be agreement on this. Recent research concluded that we all benefit: employees benefit through a better sense of fairness, motivation and well-being, companies from unlocking exceptional levels of discretionary effort, and society benefits too. Research also shows that companies which have 3% or more of their share capital held for the benefit of employees regularly outperform other companies. So it is not difficult to draw the conclusion that employee shareholding and involvement in corporate governance is a characteristic of the successful, well-run business.

This is not new: 40 years ago, I introduced these principles in the business I was building, and I was not the exception. Governments have introduced it—our postman got shares when Royal Mail was privatised. However, the Enterprise Act 2013, designed to encourage

employee shareholding, has had hardly any firms adopting its provisions. I think that this is because a sense of ownership is not enough. There also has to be a share of power, some say in policy. All this comes together in what many refer to as stakeholder capitalism, or business with a purpose—a shared sense of purpose not only within the business, but with society, customers, suppliers and all who are affected by the business, large or small.

I am grateful to the Financial Reporting Council for sending me its updated corporate governance code, because it too recommends engagement through directors appointed from the workforce and places particular emphasis on the relationship with a wider range of stakeholders. The Companies Act already calls on companies to behave in this way. There are new regulations that will require companies to report on salary ratios, engagement with employees and better corporate governance.

Fortunately, there are some schemes designed to help this work—to help workers be responsible shareholders and directors, in trying not only to raise productivity, but to make their places of work more purposeful. One of these is *Be the Business*, chaired by Charlie Mayfield. I declare that I am a member of it. *Be the Business* provides tutoring and mentoring by experienced executives from many of our successful companies—interventions that are already giving firms a boost, particularly SMEs. *Be the Business* also creates business improvement networks that enable best practice to be shared between firms that would otherwise not be exposed to more efficient ways of working.

The Government's industrial strategy—noble Lords might remember that—if it is ever put into practice would target solutions aimed at raising productivity, but employee shareholding and participation in corporate governance hardly feature. Of course, worker directors and shareholders have every incentive to raise productivity because this is the key to higher wages, but the tutoring, mentoring and sharing of best practice could have been a very helpful recommendation made to the Government by the promised industrial strategy council, which has yet to meet.

With increasing knowledge and understanding, maybe worker shareholders will ask more searching questions, such as why boards authorise share buybacks instead of investing to raise productivity. Firms might also welcome shareholders who are not algorithms with trading strategies entirely unrelated to the business and where average holding is now measured in hours and minutes, not months and years.

*Tomorrow's Company*—an expert in this field—tells us that, in its experience, the value of employee ownership and involvement very much depends on the degree of their involvement and their influence on the leadership of the company. The Financial Reporting Council currently has no statutory power to sanction companies for failing to comply with its code. So a lot depends on how rigorously these codes and regulations are enforced. The French think that it should be compulsory and in France there are strict laws about profit-sharing and worker representation on boards. It is similar in Germany. It does not seem to have done their economies any harm. In fact, some think that this is one reason why their productivity is well ahead of ours.

Light-touch regulation might be more acceptable to some, but in many cases it does not work. Obviously the extra force of law helps boards to challenge the company executives, hopefully spot trouble early and insist that is dealt with. Many wish that this had happened at Carillion. Labour's proposals for a compulsory scheme of employee shareholding is on the right lines, but I would like to see it combined with an equally strong enforcement of the new code from the Financial Reporting Council.

These are Labour ideas that go back a long way. They were included in our 2017 election manifesto. In her newspaper article last weekend the Prime Minister suggested that in some things we should join her. In this matter the shoe is on the other foot. Instead of borrowing our ideas, why not join with us and help develop them? My question to the Government is: will they join us and give employee share ownership and participation in corporate governance the force of law? Join us to help rebuild the confidence and trust in business that we all agree is so essential to our future, because, whatever the outcome of the Brexit negotiations, these structural economic problems will still need to be solved. They will not go away.

I thank all noble Lords for participating in this debate. I look forward to hearing what everybody has to say and to the Government's response.

2.26 pm

**Lord Greaves (LD):** My Lords, I congratulate the noble Lord, Lord Haskel, on getting this short debate on a topic that is suddenly topical again, quite rightly. The Question refers to two different ways to involve employees in the bodies they work for: greater employee shareholding and participation in corporate governance, which together might loosely be called industrial democracy. I believe they go together.

If we believe in the importance of individual people's ability to control their lives autonomously but co-operating with other people in society in communities—this is fundamental to my political beliefs as a Liberal—this is a vital issue. Discussion of it has waxed and waned during my lifetime. Unfortunately, there has been a long period of quiescence, both in my party, the Liberal Democrats, and more generally, but in my lifetime it has ranged across the political spectrum, from the Liberal party, the Industrial Co-partnership Association, now the Involvement and Partnership Association, the Co-operative movement generally, the Institute for Workers' Control, the Employee Ownership Association—I mention that as a plug for a wonderful pamphlet that has just been written by my noble friend Lady Bowles; perhaps she will refer to it in her speech—and, most recently, the announcements from John McDonnell, which have plonked this issue firmly back on the political agenda. He is to be congratulated on doing that.

I have some quotes that show how it has spread across the political spectrum. The Institute for Workers' Control marched under a banner saying:

"No man is good enough to be another man's master".

Who can disagree with that? But look at the way we run society. The foreword of a report on the Liberal co-ownership proposals in 1948 was written by that great Yorkshire Liberal Elliott Dodds, who referred to,



[LORD GREAVES]

“the saving sense of proprietorship”,

which says the same thing in rather different language. He goes on to write:

“This can be done in one way and in one way only—by laying it down that they shall have the opportunity to share in the direction and fortunes of the enterprises”,

in which they are employed. The motion passed at the 1948 Liberal Party assembly—before even my time—said that the employee is,

“to be entitled to elected representation on the board of directors”.

So the idea has been around for a long time, across the political spectrum.

At the first election I fought, unsuccessfully, in February 1974, the Liberal Party election manifesto said:

“Firstly, employees must become members of their companies just as shareholders are, with the same clearly defined right. Secondly, it must be accepted that directors in public companies are equally responsible to shareholders and employees. Employees must be entitled to share in the election of the directors on equal terms with shareholders”.

The high-water mark of the campaign for this kind of thing was the Bullock report in January 1977, the report of the Committee of Inquiry on Industrial Democracy, chaired by Lord Alan Bullock, which included such luminaries as Jack Jones, Clive Jenkins and one David Lea, now the noble Lord, Lord Lea of Crondall, who I look forward to hearing later. This was a thoroughgoing statement of co-partnership. The politics of that time meant that it did not succeed, but the majority report, at chapter 9, paragraph 13, reads:

“Our conclusion is therefore that there should be equal representation of employees and shareholders on company boards”.

There are lots of questions in the modern age relating to multinational companies, the global economic and financial environment, the flexible economy, the gig economy, bogus self-employment and all the rest, and how you deal with the public sector. I believe that this is a topic whose time has come again, both for employee share ownership and involvement that way, and involvement in the institutions of the companies. We had a letter this morning from the noble Lord, Lord McFall, the Senior Deputy Speaker, asking for ideas for a special inquiry committee for 2019-20. This is a brilliant topic on which the House of Lords could do a lot of useful work and I invite everybody here who is interested in the topic to write to the noble Lord, Lord McFall, and suggest that he put it forward.

**Lord Young of Cookham (Con):** My Lords, we are constrained on time and I urge all noble Lords to participate in the corporate governance of the House and stick to four minutes.

2.31 pm

**The Lord Bishop of St Albans:** I thank the noble Lord, Lord Haskel, for securing this debate. With such limited time, I shall make just a few comments about the purposes of business in general and then make one or two observations about the very specific themes raised in the debate.

All too often, business and commerce are viewed as though their main aim was simply to make the most money possible. This rather reductionist view of business fails to take into account wider questions raised in Christian theology, as well as by many others, such as how everyone can contribute to the common good, issues of justice and fairness, and particularly the sort of values we wish to celebrate and promote as a society. The best businesses, I believe, are those that balance the need to make money with a high priority on the flourishing and thriving of their workforce and a concern for human dignity.

Unfortunately, debates such as this can all too easily focus on differences between left and right. Looking at who is speaking in this debate and who is not, in terms of political parties it seems we have something of an echo of that here, sadly. My most reverend friend the Archbishop of Canterbury wrote recently in a much-publicised book:

“God is neither left-wing nor right-wing but stands above all such forms of political or economic ideology. God relates to human beings, loves the poor, the widow and the orphan, endows the earth richly with goods and fruitfulness enough to satisfy every human need, and judges our selfishness and self-seeking”.

In Christian theology, work is a positive activity and not something to be scorned or avoided. That is why the concept behind universal credit, for example, has been supported by the Church: making work pay is a good thing, even if we have serious concerns about the practicalities of its implementation. Nevertheless, the most reverend Primate was right to observe that we have a crisis of capitalism. Anger at our economic system, brought into sharp relief by the 10th anniversary of the financial crash, should be at the forefront of our minds. True dignity at work begins with a fair workplace environment, where employees have a meaningful stake in the companies they work for and where all share an interest in eliminating overwork and underpayment. To do this we need a new social contract to address low pay and poor working conditions.

Defenders of the gig economy will point to how new freedoms and flexibilities in the labour market enable many more people to fit work around the circumstances of their lives, and that is obviously good in this form of self-employment for some people in the workforce. At the same time, we risk normalising a level of insecurity in our workplace unseen since the 1930s. It will therefore not surprise noble Lords that I support the IPPR commission report’s proposals to have more workers on boards. Surely, all the evidence points to the fact that allowing employees a part to play in corporate governance can be a very positive step. I support moves towards increased transparency, towards greater gender balance and increased employee shareholding, especially if it is designed so that people are holding their shares for a significant period, for long-term investment in the company in which they work.

Giving employees an opportunity to see the fruits of their labour, in the form of shares, must surely be considered as soon as possible by this Government. While neither employee shareholding nor workers on boards are silver bullets, they are, I believe, steps in the right direction. However, without a new social contract they are unlikely to deliver the change we so urgently need.

2.35 pm

**Lord Monks (Lab):** My Lords, I add my thanks to my noble friend Lord Haskel for initiating very well this timely debate and shining a light into Britain's often murky world of corporate governance—a world with an unhealthy reliance on short-term shareholder returns and eye-wateringly excessive levels of executive remuneration, often for mediocre performance. The result of this focus on shareholder returns is too many companies that raise debt to pay dividends and related bonuses rather than invest, and companies that asset strip and shun innovation and creativity. Fortunately, there are exceptions, but too many UK companies are anorexic. Too often they are vehicles for financial engineering rather than real engineering and high-quality performance. As the excellent IPPR report points out, our investment levels are below the developed country average. The stock of business capital is falling and our R&D investment is lower than that of our peers. It is a rather dismal tale and it has been this way for a long time.

Some 30 years or so ago my father-in-law became the chief executive of the ninth-largest Dutch company, after a decade spent in London. When I asked him what the difference between the two was, he said that on his supervisory board in Holland he had the Mayor of Rotterdam and a couple of union representatives. I asked him what difference that made and he said, “We are a lot more careful. We have to take account of a wider range of interests than we ever thought were relevant to our operations in London”. I can well understand why, in the recent Unilever case, it was seeking to relocate to Rotterdam. I believe it was to protect itself against further hostile bids. It was scuppered by the British investment houses, but I honestly think that if I were in Unilever I would be quite worried about its possible vulnerability to Heinz, Kraft or whoever—there are some giant companies looking at that company. Escape to a more protected environment was shut off.

There is no silver bullet, as was just said, but I would like the Government, in their work on the corporate governance code, to look afresh at the examples already referred to in the debate from other European countries, and to bite the bullet and provide for elected worker directors on company boards, for works councils and for a role for recognised unions. It is standard practice in many countries—countries which, let us be frank, are economically more successful, in a balanced way, than our own. The Prime Minister was blown off course in 2016; I hope she resumes the journey that she started then, bringing other stakeholders onto boards and remuneration committees—stakeholders whose perspective is not governed by their next bonus or the quarterly results. Long-term success must be the goal. Boards which are more diverse—in gender and ethnic terms as well, but more representative of stakeholders—can help with that. Action is long overdue.

2.39 pm

**Lord Cotter (LD):** My Lords, I believe that the debate today is vital, thanks to the noble Lord, Lord Haskel. I will concentrate on two aspects: leadership and management. In the 1950s, I left school, did

national service and then went into a small manufacturing company, which was run along the lines of “them and us”, “us and them”. After two years I left because I could not stand the way it was run. I then started my own small business. I mentioned school because I studied the fact that businesses are not always run well. I learned that businesses were badly run in the 1930s. However, there was one mill owner we studied who ran his business well when it came to the employees.

The business I originally worked for when I left school survived, and after many years I was asked whether I would return, which I did. Within a year the managing director died, so I was asked to replace him. Immediately I changed how it was run, setting up teams around the machines, working with the workforce co-operatively. Within a short time, the firm lifted off the ground. After a few years I got involved in politics, became an MP and was very busy. So in the company we decided to change things. We involved the workforce more than ever, and in the end gave the company to the workforce to run. It is successful now and running very well as a small manufacturing company.

From my experience, I have learned that good management is essential. It is often said that productivity in the UK is not good. I believe that lack of productivity follows poor leadership. It is not only businesses—many sectors are not well managed. There is a need for training in management. Leadership is so important. Bringing people with you and listening to them is vital. Our culture has to change.

2.42 pm

**Lord Davies of Stamford (Lab):** My Lords, I thought I would make a brief contribution to this debate, because it occurred to me that I might be one of the few people in the House with some direct experience of worker representatives on corporate boards of directors. In my early 30s, my firm, Morgan Grenfell, which was a merchant bank—what we would now call an investment bank, I suppose—sent me to Paris. Although this was not the original intention of my bosses, I set up a subsidiary there, which did not do too badly. I ended up spending three years in Paris and remained president of that subsidiary after I came home to England. France, then as now, has and had had for many years a system of compulsory election of worker representatives to boards of companies over a certain threshold of numbers of employees. In the course of my three years in Paris, when I was meeting French industrialists and bankers pretty much every day, I must have heard endless complaints, and suggestions of new ideas. I never once heard any complaints about this system. It did not seem to be a problem.

Morgan Grenfell France never had enough employees to qualify for the compulsory requirement for worker representatives on the board, but I had other interests in France and was, for many years—more than I can remember, but until the day I joined the Government—a director on the main board of Vinci, which is the largest construction company in the world, and had more than 300,000 employees worldwide, about 40% of those in France. Therefore, we certainly qualified, and had two worker representatives on the board. Again, I have to say that the system worked very well. I cannot

[LORD DAVIES OF STAMFORD]

honestly say that the worker representatives contributed a great deal to our boardroom discussions, either the main board discussions or on committees. I was on the audit committee and chaired the remuneration committee. I would not have been on the audit committee if I did not have a financial background. But on my remuneration committee I always had one of the two workers' representatives. That was an issue in which they took a lot of interest, rightly and understandably so. It was extremely useful, like when I was trying to oppose what I thought were slightly unreasonable pressures, such as you always get in successful companies from people who think that their contribution has been insufficiently rewarded.

I found that the system worked well in both directions. It was extremely useful for me, and I think for some colleagues who did the same thing, to talk to the workers' representatives and get a feel about the situation on the shop floor, on the front line, in our various construction sites around the world; to ask generally how morale was; or to ask specific questions such as, "What do you think of the new internal training programme?" and "How are our safety measures working?". Safety is very important in the construction industry. Any well-run board will provide lots of opportunities for informal discussion among members of the board, and during these discussions the workers' representatives were very often able to set us right about some illusions we might have had about how things were going. It was a very useful thing—I think it helped a lot in both directions.

I can see absolutely no argument against it, and am absolutely horrified when I hear, as I once did in this country, somebody saying that if you had workers on boards they would produce endless, long, prepared speeches written by somebody else, totally ignorant, and hold up the business of the day—not at all my experience. I therefore very much welcome the initiative from my noble friend Lord Haskel to bring this idea back into public debate. I hope we follow the very successful French example.

2.46 pm

**Lord Lea of Crondall (Lab):** My Lords, this is a subject on which the Prime Minister is beating a quick retreat since she referred to it rather positively a couple of years ago. The slew of reports recently proved that it is becoming part of a new consensus, but I think it is still not quite part of the consensus in the golf club bar. This is typical of this country's problems, in some respects. It is summed up, as I understand it, although I am not a lawyer, in the surprising but true doctrine that the company is the shareholders. That is what a company is. Is that not extraordinary?

The stakeholder model of capitalism is rather different from the British model. I will elucidate one or two consequences of this. My noble friend Lord Monks, in his interesting anecdote about Rotterdam, prompts me to give the House my favourite anecdote. A friend of mine went over to Gothenburg. His company wanted to take over a Swedish company. At lunch, round a canteen table, they had the worker representatives from both the main supervisory board, I suppose you would call it, and the works council. If your Lordships

will forgive my Swedish accent, although I am rather proud of it myself, when it came to questions, the chairman of the works council said, "Mr Struthers, if you take over our company, how will that improve our world market share?". When Malcolm got home, he said, "Do you know what happened to me in Gothenburg? I asked these people if there were any questions, and this man asked"—I will not repeat my Swedish accent, your Lordships will be relieved to hear—"about world market share. I have never heard anybody ask any question remotely like that in this country". Am I not right? This is the division. I will not refer to this not being popular among those of my former colleagues who believe in the class struggle as an end in itself, but it is part of the consensus of the trade union movement now, in a very broad sense.

The slew of reports proves that more than 40 years since Bullock, the analysis of the nature of British inequality has moved on to become a consensus. These reports are hugely significant, not only in what they all say in similar terms but in the range of who has written them. We will not specify but it is a fact that although the Bullock committee report was greeted with ridicule 40 years ago in most establishment quarters, all I can say in the presence of the right reverend Prelate the Bishop of St Albans is that although our reward is only in heaven, in this case I hope the reward will come within 50 years. I strongly endorse the idea, which had not occurred to me, from the noble Lord, Lord Greaves, that we should all indicate in unison to the noble Lord, Lord McFall, that this would make an excellent subject for a special inquiry.

2.50 pm

**Baroness Bowles of Berkhamsted (LD):** My Lords, I too thank the noble Lord, Lord Haskel, for securing this short debate. The topic has many aspects but today I will focus, as my noble friend Lord Greaves hinted, on the employee ownership sector, which represents some 4% of UK GDP.

In June the report *The Ownership Dividend* was published, after a year-long UK-wide inquiry into the effects of employee ownership—EO for short. I was the independent inquiry chair, aided by distinguished individuals from 20 leading independent business organisations, who posed questions at oral hearings and guided the report and its recommendations. The Cass Business School and the Alliance Manchester Business School also attended and provided a rigorous framework analysis of the substantial evidence. We were repeatedly informed that EO stimulated long-term thinking, collaborative behaviour, ambition, transparency, good governance and well-being. We were told, "It's like owning a home instead of renting", and, "You get a whoosh effect in the profits".

The dividend of employee ownership is summarised as three things: driving productivity and performance, especially of SME and family businesses; rooting jobs in regional economies and providing resilience, especially at the succession stage; and sharing wealth and influence more equally among all employees. EO businesses are not all 100% employee-owned, in the formal acronym sense. Some are minority employee-owned, some use trusts, some use direct ownership and some a hybrid. Benefits, though, are delivered because there is both



an ownership stake and true ownership culture: that is what defines employee ownership, as opposed to simply employees owning shares. There is an inbuilt meaningful say.

Following introduction of the employee ownership trust—or EOT for short—in 2014, there are now 250 EOTs. The majority are outside London and that number is growing at a rate of 30% a year, in contrast to “Save as you earn” and share incentive plans, which are declining. *The Ownership Dividend* reported many recommendations and has an action plan of how to grow more EO businesses, covering topics from capacity-building, awareness, regional development, training and finance to removing anomalous tax obstacles and providing tax incentives.

Just this week the Employee Ownership Association, the industry body for the EO sector, submitted a further interesting proposal to HMT for an employee share ownership trust which can hold both EOTs and SIPs. Using both elements, tax-free payments of bonuses and dividends could be made to employees of up to £14,600 per annum. That is under the current tax rules. Refinements such as shorter SIP holding periods could add further attractiveness, along with other measures. I can see ways in which an ESOT could become a vehicle for employee-corporate governance participation, even if using only the SIP side. It rolls up well with ideas such as having to spend as much on free shares for employees as is spent on executive incentive schemes. We need to attract all sizes of company, public and private, into meaningful employee share ownership for the benefit of the individual, businesses and the economy. ESOTs could be the way. I hope that the various relevant government departments and Ministers will make a good study of the ownership effect inquiry’s report and its work programme.

2.55 pm

**Lord Liddle (Lab):** My Lords, I think some people will find the reason that I put my name down to speak in this debate amusing. I felt that the reaction to the proposals put forward by Jeremy Corbyn and John McDonnell at the Labour conference on these questions was harsh. I thought that the employers’ association made a great mistake in condemning them. It is unusual for me to agree with Mr Corbyn and Mr McDonnell but I agreed with them on this question. It requires rigorous thinking, however, about how we go forward and the idea of a Lords committee is a very good one.

Workers co-ops can work in some circumstances but they do not work in all of them. I am in favour of employee shareholding but we have to make sure that employees do not build up such a big stake in one company that all their eggs are in one basket if that company gets into trouble. You have to have means of dealing with that. I do not think that proposals for employee shareholding should get mixed up with proposals to increase tax on the corporate sector, which are in the McDonnell plan. We should look again at the Meidner plan, which the Swedes put forward in the 1970s, and think about why they backed off from that and how it could be improved.

As far as workers on the board go, as someone who learned about industrial relations in the Oxford school I was initially very sceptical. There are inevitable conflicts

of interests in business, which is why trade unions exist, so we cannot always assume that we would get a unity of purpose between worker representatives and management. But I changed my mind about that in the 1970s and was a great enthusiast for the Bullock report—indeed, my first job as a special adviser in government was to write briefs for Bill Rodgers, now the noble Lord, Lord Rodgers, who was on the Cabinet committee deciding what to do about it.

I make two reflections on that. First, as well as putting workers on the board you have to have a bottom-up involvement of workers at all levels of the company. We could have done more in government to build on the European information and consultation directive to ensure that. Secondly, if there are to be trade unionists on the board—and I support that—they should be elected by the workers in the company, not appointed by general secretaries. That is an important principle. When it comes to international companies, we have to look at the experience of European works councils and see how they can be built on and improved.

This is an enormously important subject. I am very sorry that there are not more government Members present in the Chamber today because we have to build a consensus. Just as Keynes reformed capitalism in the 1930s to help it survive, we have to do the same today—and part of that includes serious examination of proposals for employee shareholding and workers on the boards.

3 pm

**Lord Stevenson of Balmacara (Lab):** My Lords, my noble friend Lord Haskel made a number of very good points in his excellent speech, including arguments for greater diversity on boards and more statutory regulation, particularly by the FRC. I hope that they will be taken forward. His key point was about the growing agreement he detected on the case for having employees on the boards of major companies and making them shareholders as well as stakeholders. He is to be congratulated on this and perhaps should feel a little smug. All those years ago, he put his money where his mouth is, and he has thrived as a result.

There is a wider issue about the structure of the public company. The Bank of England’s Andrew Haldane recently made a speech in which he said,

“despite its durability and success, across countries and across time, this corporate model has not gone unquestioned ... with a rising tide of criticism of companies’ behaviour, from excessive executive remuneration, to unethical practices, to monopoly or oligopoly powers, to short-termism. These concerns appear to be both strongly-felt and widely-held”.

If he is right, our modern company model is coming to the end of its useful life. What should we be doing about it? As has already been said, there are some good ideas to be found in the IPPR *Prosperity and Justice* report, which I am sure the Minister has read carefully in preparation for this debate. One specific recommendation focused on the central point of this debate and was about controlling executive pay and providing wider pay equality by putting one-third of the membership of remuneration committees out to elected worker representatives. The report goes further. It recommends that large companies with more than 250 employees should have at least two elected workers on their main board.

[LORD STEVENSON OF BALMACARA]

As has already been picked up, in other ways the report echoes the Prime Minister on the steps of Downing Street when she enthused about workers on boards and puts into sharp contrast the current, very limp, proposal by the Government to give one existing non-executive director the additional role of looking out for workers' interests, which is a very poor substitute.

If we are to tackle more than just the executive pay scandal, and we should, we need to go further. The underlying theme of Mr Haldane's speech and the IPPR report is that the idea that a company owes its only true allegiance to its shareholders does not reflect the relative risks shared by the wider group of stakeholders involved in the economy in the modern world. Shareholders, especially as they are now almost universally represented in pooled funds by fund managers, can diversify their risks and have no fear of bankruptcy. Workers, by contrast, have their livelihoods at stake and, usually, a longer relationship with the company. Financial creditors and suppliers take risks which they cannot diversify and suffer badly from poor management and unregulated management practice in, for example, late payment of invoices. A governance model that tries to balance these various interests looks fundamentally fairer. Why should promoting shareholder value above all else be the overriding duty of directors?

I hope that when she responds the Minister will be able to give some thought to this and I hope that in general her response will be a step-change from what we have been hearing on this topic from her colleague, the noble Lord, Lord Henley, who has repeatedly said in this House that he recognises the need for reform but has singularly failed to come up with any significant proposals. I shall mention one example. In Oral Questions on 13 March 2018 he said:

"We have also made it clear that we need to see some degree of reform of corporate governance ... we think it is very important that the voice of those working for companies should be heard on the board ... It is certainly something that should be looked at".—[*Official Report*, 13/3/18; cols. 1507-8.]

Nothing has happened, so perhaps the Minister can go further than that.

3.02 pm

**Baroness Vere of Norbiton (Con):** My Lords, I thank the noble Lord, Lord Haskel, for securing this important and timely debate. Giving employees a stake and a voice in the organisation that they work for is important. As the noble Lord very powerfully noted in his opening remarks, it can lead to better outcomes for all stakeholders—employees, shareholders, customers, suppliers and, indeed, the Exchequer—through better-quality boardroom decision-making, stronger worker commitment to the business, higher productivity and greater influence of workers over the strategic decisions that will affect them. This has been noted by many people, not just in the Chamber today but outside. This debate is indeed very timely. The IPPR report has recently come out. It was mentioned by the right reverend Prelate and the noble Lord, Lord Stevenson.

We can all agree that employees are the lifeblood of all successful organisations and that their participation is crucial. Where I suspect we will disagree is on how

government should encourage—some would prefer "force"—listed and non-listed privately owned companies to increase employee participation. Some in today's debate—I note the comments of the noble Lord, Lord Stevenson—have criticised the speed at which the Government are acting. I cannot agree.

I will turn first to worker participation in corporate governance. As the noble Lord, Lord Stevenson, noted, the recent comments by Andy Haldane, the chief economist of the Bank of England, are welcome and timely. I am sure that noble Lords were very pleased to see his appointment as chair of the Industrial Strategy Council announced a few days ago. That council will meet for the first time in a couple of weeks' time.

In 2016, we consulted on the *Corporate Governance Reform* Green Paper which, among many other things, sought views on how best to strengthen the worker voice in the boardroom. It was an extensive consultation. There were 375 thoughtful responses from businesses, trade unions and wider society. One thing was particularly striking from the responses: that no single way is the best way to strengthen the employee voice and influence at board level. Some companies favour the direct appointment of employees to company boards. Others favour dedicated and diverse workers' councils which can reach into all aspects of the organisation. There is a huge range of approaches, each suiting the specific needs of the company, its structure and the sector in which it operates. So it became clear to us over the course of the consultation that one method would not suit all and that it would be wrong, and possibly quite damaging, for the Government to dictate a single method of worker participation.

**Lord Lea of Crondall:** Does the doctrine of diversity not mean that the Government are ruling out, almost for all time, any legislation?

**Baroness Vere of Norbiton:** Not at all—but at this moment legislation is not needed. If I am allowed to make a bit of progress I will explain how this is being put into practice.

Our reforms achieve change not by forcing companies into a one-size-fits-all approach but by providing options, supported by a clear and transparent accountability system. There are two main elements to our approach. First, we have put new reporting requirements on the statute book. They require all large companies—those with more than 250 UK employees—to explain in their directors' reports how they have had regard to the interests of employees, including how they have engaged with them and, crucially, the effect of that engagement on decisions taken by the board during the year.

Secondly, at the Government's request the Financial Reporting Council has revised the UK Corporate Governance Code to require boards to have in place at least one of three worker voice mechanisms: a director appointed from the workforce, a formal workforce advisory panel or a designated non-executive director. If a board has not chosen one of those methods, it will have to explain to its shareholders what alternative arrangements are in place and why they are effective.

The noble Lord, Lord Haskel, questioned the statutory underpinning of the code. It is mandatory for all listed companies. Noble Lords will be aware that Sir John Kingman is reviewing the FRC and all its activities, and we look forward to receiving his report in due course.

The Government expect these reforms to drive real change, with our large companies having effective mechanisms in place to engage with employees at boardroom level.

Many noble Lords on the Labour Benches have spoken in today's debate and talked about Labour Party policy in this area. What do we see? We see exactly what the consultation showed us would not work. Labour is proposing a one-size-fits-all approach which we know will not suit many companies. Labour would force all large companies to do exactly the same thing, irrespective of their type, size, ownership and sector. For the reasons I have set out, we believe this would be wrong. Indeed, the personal experiences shared in the Chamber today by the noble Lord, Lord Monks, Lord Cotter, Lord Lea and Lord Davies, further support our view that one size simply does not fit all.

I turn to employee shareholding and ownership. Many businesses choose employee share ownership to involve and motivate their employees. But, crucially, employee share ownership must remain a free choice for businesses to make. However, the Government have a role to play. We can remove the barriers to employee shareholding and to employee ownership to make these easier for business. The Nuttall review in 2012, commissioned by the previous Government, identified three barriers to growth: a lack of awareness of the concept, a lack of resources to support implementation, and actual or perceived legal, tax or other regulatory barriers. The review made 28 recommendations, and these have been addressed by the Government in awareness-raising initiatives and by simplifying the relevant regulations through changes in the Finance Act 2014. So we have tackled the barriers; it is now up to the private sector to set this up and help employees to participate.

This Government back businesses, whichever ownership model they have. It is in that context that we keep under review our approach to employee share ownership schemes. I noted the comments by the noble Baroness, Lady Bowles of Berkhamsted. I have read her very good report, and one thing that struck me was that she said:

“That is not to say employee ownership is the ‘ideal’ business model, or that its impact is automatically and universally transformative”.

She is right, and that point was made also by the noble Lord, Lord Liddle. We have to be aware of people investing not only their job in a company but also perhaps their life savings.

However, we would like to see more employee-owned companies, and we have noted the recommendations. The Government keep all areas of the tax system under review and, I am sure, are looking at the proposal that the noble Baroness mentioned that was sent recently to HMT. We already offer four tax-advantaged employee share schemes that allow 4 million employees to invest in the future performance of their companies. This is

alongside employee ownership trusts, which the Government have promoted since in 2014 and which offer generous tax reliefs both for employees and for business owners who sell to a trust.

Perhaps it is worth taking a moment to look at Labour Party policy in this area, which was cited by a number of noble Lords today. It is certainly radical. It would involve an immediate and significant diminution to the pension assets of all pension holders, and indeed anyone with any shares in a larger listed company. It would be an astonishing confiscation of private wealth. There would be no actual employee share ownership, merely ownership by proxy, and a cap on any upside for the employee. I wonder whether noble Lords on the opposition Benches have any estimate of quite how much extra tax the Exchequer would get as a result of this cap. Some say that it would be around £6 billion—that is, £6 billion of extra corporation tax targeted only at companies with a high dividend yield. The policy is extraordinary, and not in a good way. It would have a devastating impact on UK business and the UK as an attractive place to invest.

Noble Lords touched briefly on Section 172 of the Companies Act 2006, which is the cornerstone of the company law framework. Directors have a duty to promote the success of a company for the benefit of their shareholders. However, in doing so they must have regard to a range of stakeholders. This is the enlightened shareholder value model and we are not minded to review it at this time.

The UK has an international reputation for the strength of its corporate governance framework, which we have kept up to date with reviews and carefully considered improvements. As the noble Lord, Lord Monks, suggested, we will look at best practice in other countries, but a one-size-fits-all approach will not work.

## **Arts: Impact of Brexit**

### *Motion to Take Note*

3.13 pm

*Moved by Lord Bragg*

That this House takes note of the impact on the arts of the United Kingdom's withdrawal from the European Union.

**Lord Bragg (Lab):** My Lords, the impact on the arts of the UK's withdrawal from the European Union will be dire. From every corner comes hard evidence that Brexit will do great damage, yet we are told that the referendum cannot be challenged. We are told that it was the will of the people—in my view, of crucially underinformed people. Even so, 48% were against the withdrawal, a minority far greater than those minorities that have altered our society for the better over the centuries in the matter, for instance, of the slave trade, the trade unions, women's suffrage and much else. These original minorities became the lasting will of the people and reflected the best of us; the majority was originally mistaken.



[LORD BRAGG]

A referendum is not a sacred document. We do not do that here. For centuries, millions of people in this country have fought to establish our democracy. One fundamental tenet of it is that a few years after we have elected people we can kick them out if we do not like their programme. Who said that in this country a referendum should become a God-given, unassailable document? We are better than that. It was conceived as a cynical short-term fix and executed with embarrassing ineptitude. Its begetter, David Cameron, instead of staying on to fight the day for remain, failed to fight for his belief and just scuttled off. He should not be forgiven. But why should we follow his pusillanimous example?

The creative sector employs more than 2 million people in this country, many of them in niche highly-skilled jobs. It contributed £91.8 billion to the UK economy in 2015-16 and showed an increase of twice that of the UK economy as a whole. Its growth has been uninterrupted since the end of World War II, but Brexit will reverse that growth.

I shall give a few instances of our strengths. The three most successful film brands in the world come from the work of British novelists: JK Rowling, Ian Fleming and Tolkein. Under Andrew Lloyd Webber and Cameron Mackintosh we challenged and, at times, overtook the great American musical. We are the only nation that has a regular showing at the Oscars apart from the Americans, and we alone take on the mighty American pop industry. The arts have proved the best engine to dynamise failing cities, rebuild communities and re-energise schools. They blaze British talent around the planet and are a major asset for the new Britain.

What is it about the destructiveness of those set in authority over us, starting perhaps with Henry VIII and Cromwell, who destroyed an enviable system of monasteries that nourished industry and cultivated the arts and education, as well as providing the spiritual guidance thought to be needed at the time? Every now and then since, our rulers swing another wrecking ball. Only a few decades ago, the north British powerhouse of manufacturing was allowed to fall away and then encouraged to destruction by the Conservatives, when other post-war north European countries were so successfully rebuilding their manufacturing base. Why did not we? Now they seem intent on doing the same with two of our greatest new intellectual and cultural success stories, science and the arts, both of which are severely threatened by Brexit.

We know the Brexiteers do not like experts, but here are some inescapable facts from an industry that is remarkably efficient and has gathered in outstanding talents from many new generations since 1945. Richard Corbett MEP has pointed out that only 2% of people in the music world thought Brexit would be good for the industry. Today our musicians travel freely; connections are essential in the global creative world. Post Brexit there will be no guarantee of free movement across Europe. In 2016 our orchestras made 96 visits to 26 different EU countries—impossible to imagine post Brexit.

The post-Brexit visa system will result in a situation that has been graphically described in a well-researched article by the composer Howard Goodall. His work

takes him all over Europe at a day's notice by means of a ticket from Heathrow. This will now take him weeks to organise, and that will deter many of those in this country from going to Europe by reason of expense. The reverse is also true. Musicians from the EU play a crucial role in the day-to-day make-up of UK orchestras and are often called on at a couple of weeks' notice, which the new system will make impossible. Between 20% and 25% of musicians in some orchestras are from other countries in the EU. There are around 14,000 EU citizens in the UK music industry. Given the restrictions that will be put in place, the future of that proportion looks bleak, and import duties will have to be paid on every instrument. Imagine that, with the LSO going one way and the Berlin Philharmonic going another.

This is not just about great orchestras and conductors. School jazz bands and youth orchestras will be subject to restrictions and expense. Young musicians from Britain will no longer be able to participate in EU-wide schemes such as the European Youth Orchestra, which is moving from the UK to Italy as a result of Brexit. That is a great shame for us and for them. Horace Trubridge of the Musicians' Union has described the way that musicians hop regularly between Europe and Britain and said:

"If every musician has to get a visa and carnet for every country they visit, it would make any work in Europe impossible to schedule ... My members are already moving to Europe because they worry about their future work".

We are not just talking about classical music. Peter Gabriel has expressed his alarm after a number of international artists were unable to perform at the WOMAD world music festival after visa issues. Gabriel, who founded WOMAD, said:

"It is alarming that our UK festival would now have real problems bringing artists into this country ... [many of whom] no longer want to come to the UK because of the difficulty, cost and delays with visas, along with the new fear that they will not be welcomed".

This year marks the first time that artists declined invitations to perform at WOMAD.

This is echoed in Alan Bennett's new play "Allelujah!". At the end of the play, a young Asian doctor decides against "joining us". He says—this is a short extract, which he delivers in an impassioned way which I cannot replicate:

"Why, I ask myself, should I still want to join? What is there for me here? ... There is nobody to touch you, but who wants to anymore? Open your arms before it's too late".

Open them to what another Northern artist, John Lennon, in his song "Imagine", called "the brotherhood of man", to which all artists instinctively belong, and need to be part of now as never before.

In an open letter to Theresa May published in the *Observer* a few days ago, Bob Geldof voiced the opinions of a vast range of people from the music world. He wrote:

"Imagine Britain without its music. If it's hard for us, then it's impossible for the rest of the world. In this one area, if nowhere else, Britain does still rule the waves. The airwaves, the cyberwaves, the soundwaves. It is of us. It is our culture. We dominate the market and our bands, singers, musicians, writers, producers and engineers work all over Europe and the world. In turn, Europe and the world come to us".

Geldof's characteristic authority and passion ought to be a red alert. Unlike those who talk about building bridges across the Irish Sea, he and his colleagues know that of which they speak.

I have more hard facts. In 2016, the Arts Council commissioned surveys from 992 arts organisations on the impact of Brexit on the arts: 73% said there would be a negative impact on bringing objects, exhibitions and artists into the UK; 73% said there would be a negative impact on cross-border projects with EU partners; and 70% said there would be a negative impact on future touring within the EU. These are the voices of committed, professional, often modestly rewarded people, a planet away from the wishful huffing and puffing of fact-free Brexiters.

Dance will be heavily affected, too. Tamara Rojo, a prima ballerina and the artistic director of the English National Ballet, moved to the UK from Spain more than 20 years ago:

"Attracted by the growing diversity", she told me,

"of the dance that was being created in this country, the consequence of transparent and stable institutions here as well as the newly open borders that brought freedom of movement for individuals like me from Spain".

The English National Ballet has dancers from 23 different EU countries and it thrives. She also said:

"On a personal note, I am for the first time considering leaving the UK, which has been my home for more than 20 years. As yet I do not know what my rights will be post-Brexit".

This would be a terrible loss.

Then there is the question of copyright. Howard Goodall points out:

"European copyright laws have during my 40-year career as a professional composer been far more protective towards me and my fellow creators than our own UK government".

He gives examples. The first wave of copyright piracy was in the day of cassette recorders in the 1980s, when the music industry losses to cassette copying were seismic. The EU backed a proposal that a small levy be placed on the sale of every blank cassette to remunerate composers and musicians. The Tory Government of the day refused to grant the levy. He continues:

"The EU also responded to creators' requests for the granting of ... rights to writers, composers and copyright holders, so that, in an era where media were increasingly being ... re-distributed, the original makers of a work would have to be acknowledged".

If the EU does not succeed in protecting copyright holders, then, as 3D printers become readily available, all copyright material will be rip-offable on the internet without consequence or remuneration. This will be a massive setback for our design and manufacturing industry.

Our theatre is currently the richest on many levels in the world. James Doerer wrote in the *Stage*:

"EU structural funds have helped build and rebuild the theatre infrastructure of the UK (Sage Gateshead, Liverpool Everyman) and Creative Europe has helped instigate—and lubricate—international collaborations across the continent".

James Doerer is wholly pessimistic about the UK Government's promise to fill those gaps.

Finally, there is the British videogame industry, which began with brilliant young individuals in back bedrooms and garages and has evolved into a thriving

sector that employs over 12,000 full-time workers in more than 2,000 businesses. Games made in the UK are played around the world and sales are growing prodigiously. It is now a major talent pool for young people. More than 80% of videogame industry professionals supported remain in the referendum.

The disregard of the basic needs of the cultural economy is the canary whistling in the mine. The whistling means danger, not only for that industry but for so much that has helped reconstruct this country. After a century of devastations in war and peace, we have regrouped ourselves to seek out and find a European and world role dependent on the freedom and enterprise that people so evidently show in the arts. It has been something of a miracle, and that has happened inside the EU. To surrender these gains on the basis of a single referendum and condemn especially the younger people in this country to leave Britain or to restrict their imagination beggars belief. We face a certain prospect of closing down when we are so successfully opening up.

Brexit will be a bar to the future of the fastest-growing, most democratic sector in this country. It will be a clamp on the imagination and the freedoms that younger generations have found to surmount the decline and wreckage of the past.

The arts inside the EU promise ever-enriching landscapes. Outside will be a smaller and smaller patch of increasingly barren ground. What sort of a legacy is this for our generation to pass on? I beg to move.

3.25 pm

**Baroness Hooper (Con):** My Lords, having listened with interest to the noble Lord, Lord Bragg, on Radio 4's "In Our Time" this morning about Shakespeare, I am happy to hear from him again this afternoon on this important theme, and thank him for his comprehensive introduction to our debate. In saying that, I deplore the need to have such a debate as a very reluctant Brexiteer.

I am also sad that we cannot today hear a contribution from my noble friend Lord Lloyd-Webber, since he has followed the new system of retirement from active duty in the House of Lords—a system which I also deplore, as it puts pressure on people who can rarely attend the House of Lords because of their professional activities and makes them feel that they should retire. We are therefore robbed of their expertise. I take this opportunity to put on the record my thanks to my noble friend for all he did to contribute on issues relating to the arts and the theatre. I feel sure that, were he still here today, he would have added weight and insight to our arguments.

Nevertheless, today's list of speakers demonstrates considerable and broad expertise, and I look forward in particular to hearing from one of our newest Members, the noble Baroness, Lady Bull, for reasons that will become obvious in my remarks.

It is well-known that our cultural and creative industries have grave concerns about the future ease of movement of talent and funding and about Britain's reputation around the world in the context of Brexit.

[BARONESS HOOPER]

I am encouraged that the Government's EU White Paper recognises the importance of mobility for professional performing artists and creatives, who make up our £92 billion a year creative industries, but I should like to bring focus to the dance sector in particular. I declare an interest as co-chairman of the All-Party Parliamentary Group on Dance.

The UK benefits enormously from the dance sector's contribution. It is vibrant and diverse. It is a flagship UK creative industry. It boasts world-class companies, such as the Royal Ballet, Akram Khan Company, Hofesh Shechter Company, Rambert and many more, who bring a wide range of dance to audiences across the United Kingdom and the rest of the world. I believe that dance is at the heart of our UK creative industries and, as well as being a celebrated UK art form, has a unique and important role to play in education, health and well-being, community cohesion, technological advancement, social mobility and diversity. Most recent statistics show that the UK dance sector is made up of a 40,000-strong workforce employing not only dancers but artistic, administrative and technical support staff, as well as educators, musicians, health professionals and a wide supply chain of individuals and businesses supporting the sector.

According to a recent report published by the dance sector body One Dance UK that sets out the UK dance sector's outlook on Brexit, if the right safeguards are not put in place after the UK leaves the EU, there will be a detrimental impact on the UK dance sector, including on dance artists, companies and the art form itself.

There is so much to say in a short time, but clearly visa requirements are key. There is a continued need for people working in dance to be able to move freely across Europe. Companies and goods also need that ability. Special consideration must also be given to the significant number of freelance dance artists.

A recent House of Lords EU Committee report, *Brexit: Movement of People in the Cultural Sector*, recommends that a multi-country, multi-entry, short-term "touring visa" for UK citizens, and a reciprocal commitment for EU citizens, could support touring when freedom of movement ends after Brexit. This would enable self-employed people in the cultural sector to travel for short-term visits between the UK and the EU, to tour and work on short-term contracts. I hope the Government are giving serious consideration to this recommendation.

Short-term touring is essential to the business model of many self-employed artists, and the EU 27 countries are their principal destinations. A visa system that permits short-term visits to multiple EU countries is widely supported by the cultural and creative industries. This system would ideally be a quick, easy and either no-cost or low-cost, long-duration, multiple-entry arrangement for creative and cultural workers in particular.

I also urge the Government to explore whether after Brexit they could extend certain existing arrangements for non-EU workers to EU citizens, such as the permitted paid engagement visas, which allow professionals to stay in the UK for up to one

month, and the permit-free festival scheme, which allows artists to perform at certain UK festivals without a work permit.

An exemption for temporary import of cultural goods, theatrical effects and any related technical equipment needed for production would also help the sector. Professional equipment—as well as sets, costumes and so on—temporarily moving across borders must not be subject to burdensome documentation requirements and levies. More clarity is needed from the Government on these issues.

The UK must try, post Brexit, to maintain its participation in EU funding programmes such as Creative Europe. A commitment is also needed to increased investment in real terms in dance education now. A lack of clarity about the arrangements post Brexit is already having a direct impact on the ability and confidence of dance artists and major organisations to plan future work and productions, recruit and establish partnerships.

International cultural exchange is the lifeblood of our art forms. It fosters creativity and must be maintained to allow dance and the arts to flourish in the UK. I thank all those who have provided briefings and acknowledge the important work done by so many organisations, including, perhaps especially, the City of London. I urge the Government to take into consideration how we can ensure that our rich cultural sector continues to thrive after we leave the EU.

3.33 pm

**Lord Liddle (Lab):** My Lords, it is a great pleasure to support my noble friend Lord Bragg. We are close to each other for many reasons: we are both grammar school boys from the county of Cumberland; and I have the great pleasure of representing on Cumbria County Council his hometown, Wigton, of which he is not just a distinguished son but already, in his lifetime, the patron saint. When my noble friend gets up to speak about something like this, I believe the nation will listen. Just as millions listen to his radio programmes every week, so too should the Government listen to what he has so ably set out as the threat to the cultural sector posed by Brexit. I will not pretend to be an expert on the cultural sector; I will try to talk about why I think the Government's policy on Brexit has got us into the situation of threatening this vital sector.

We have heard a lot in recent weeks, with virtually nothing else in the media, about Mrs May's commitment to her Chequers deal. It has some merits, but it has one huge defect: that it completely ignores the service sector of the economy. As my noble friend Lord Bragg has explained, the service sector is the most vibrant part of Britain. How can we cast aside this most vibrant part of Britain without thinking about its future at all? For manufacturers, yes, Europe is their home market. But for artists and people working in the cultural field, Europe is their home stage, their home gallery, their home concert hall. If we do not think in terms of being part of a Europe in which they can fulfil their professional lives, there will be a huge loss. I would say to anyone, including members of my own party in the other place, that if you think you are doing a good job of preventing a hard Brexit by



supporting Mrs May's Chequers deal, remember who you are forgetting—you are forgetting the large sector of the economy that is dependent on services.

My second point is that fundamental to the success of this sector is the thing most despised by many people about our membership of the European Union: the principle of freedom of movement. Surely it is time for all of us in leadership positions to start explaining to the British people why freedom of movement is not only a wonderful thing in itself, in the freedoms that it gives to people, but it is essential to their professional and artistic fulfilment. It is high time that we tried to change the debate about Brexit.

There will be a lot of talk—I am sure that we will hear this in the Minister's response—about visas and how a visa regime can substitute for the absence of freedom of movement. I am a bit sceptical about whether that is so. An awful lot of people who work in the cultural sector would not qualify in terms of their salary for the kind of special treatment that the Government seem to envisage. This is a fundamental point. When you are young in the creative sector, you are not earning over £30,000 per year—you are probably not earning £20,000 per year—yet you need that ability to accept the job opportunity that comes up in Lyon at two days' notice.

Let us hear from the Government how they propose to address this. My view is that there is no means of addressing it other than stopping the madness of Brexit. By stopping the madness of Brexit, we will not only strike a blow at the negative English nationalism that lies behind the leave vote—that is what a lot of it was: negative English nationalism. We will be striking a blow for the future of our country, for tolerance, diversity, being full participants in European culture; that is what, in the remaining weeks, we now have to do.

3.39 pm

**Baroness Bonham-Carter of Yarnbury (LD):** My Lords, I join in thanking the noble Lord, Lord Bragg, for introducing this debate. I was listening to "In Our Time" this morning, when he talked eruditely, as ever, about Shakespeare. It made me think of:

"It was the best of times, it was the worst of times", and that is what I think about this debate. We live in a golden age of British art and British creativity but Brexit is lurking.

The creative industries, fed by the arts, are, as the noble Lord, Lord Bragg, said, a hugely important sector for the rest of the UK economy, but art has a function that goes beyond and is more important than the economic one. It stimulates our imagination and enables us to empathise. It promotes well-being and aids both physical and mental health. Arts and culture lead to urban regeneration, as I have seen first hand—here I have to declare an interest as a trustee of the Lowry in Salford. The creative industries, the arts and our cultural institutions are an essential part of promoting the UK around the world—a soft power. Therefore, supporting and protecting this vital, vibrant sector is of paramount importance, and our creative industries massively benefit from our membership of the EU.

All speakers so far have talked about the free movement of people and I shall continue to do so. The ability to work and travel across Europe without the need for visas has both facilitated and fuelled the exchange of culture, creativity and expertise, and it has generated commercial and great artistic opportunities. So why has the Prime Minister announced the abolition of Article 45, which grants freedom of movement to EU citizens? She has said vociferously that she wants to bring in a new immigration system that ends freedom of movement once and for all.

As the noble Lord, Lord Bragg, said, this weekend we heard an impassioned plea from musicians, led by Bob Geldof, who pointed out that this is an area where,

"Britain does still rule the waves".

However, Brexit threatens this through its impact on access to talent, the ability to tour and copyright legislation, which my noble friend Lord Foster will talk about more. To quote a great friend and a great drummer, Robert Henrit, "It was something of a nightmare before we joined the EU. It was bliss after we joined. And I have a sneaking suspicion it will be much more of a nightmare after we leave".

Returning to the subject of skills, the fact is that, as I think the noble Lord, Lord Liddle, mentioned, creative skills do not easily sit alongside the traditional qualifications that the Home Office uses to evaluate visa applications. Many creative jobs are for freelancers in SMEs, which do not have the resources and back-up of big businesses, which will be competing with them for visas, and that will happen not just in the world of music. According to a Screen Business report published yesterday, the tax breaks introduced by the coalition Government for film and high-end TV have led to a boom in the UK's visual effects industry. This has created value in excess of £1 billion per year for the British economy—great news—yet it is a sector that is particularly reliant on the skills of EU workers. Around 40% of VFX professionals are from outside the UK. The UK's film, TV, games and advertising sectors are also booming but, again, with this comes the need for certain skills, and yet again, as BECTU has pointed out, they are reliant on EU workers. Therefore, without the right deal on movement of talent and skills, the creative industries will face huge challenges. Can the Minister give an assurance that the Government understand this?

Then there is the matter of EU cultural and educational funding. To give some examples, £48 million of ERDF funding was invested in the Connecting Cumbria project, providing 12,000 SMEs with broadband access. Of the top 15 disciplines with the highest amount of funding from the EU, 13 are in the arts, humanities and social sciences. I could go on. It is essential that the Government either secure or replace the funding from such EU schemes if our creative industries are to continue to flourish post Brexit. Does the Minister not agree that the Government will need to negotiate an agreement with the EU that maintains participation in programmes including Creative Europe, Horizon 2020 and Erasmus? And does he not acknowledge the warning of the Creative Industries Federation that if this does not happen we will be looking at a bad situation?

[BARONESS BONHAM-CARTER OF YARNBURY]

Back in July, I asked a Question about country of origin—the principle by which a broadcaster licensed in one member state of the EU is permitted to broadcast into other member states. If we lose country of origin, the UK will lose its leadership position as a world-class international broadcaster and we will lose a considerable number of jobs. Can the Minister update us on what the Government are doing about this very serious matter?

According to the *Evening Standard's* analysis of almost 150 polls, a majority of Britons now want the country to remain in the EU. That is not surprising considering the chaotic, incoherent place we find ourselves in and the daily revelations of what Brexit actually means, not least for the arts. I echo the noble Lord, Lord Bragg: the British people deserve a final say when and if a final deal emerges. We are a democracy. Our Governments call elections to test the will of the people but now we need a people's vote on Brexit. It is the people, not the politicians, who deserve the final say.

3.45 pm

**Lord Berkeley of Knighton (CB):** My Lords, the noble Lord, Lord Bragg, has put his finger on a vital issue—one that is causing wide concern in the arts world. The Government have repeatedly acknowledged the financial and social contribution that the creative industries play in our lives, and I am sure that the Minister will do so again today. This country has a huge amount to be proud of in the field of arts. However, as we prepare to exit the EU, that contribution is at risk. I do not think anybody is exaggerating when they mention with great passion their concerns. I will concentrate on details that affect my area of expertise—that is, music and music education, on which I hope the Government might be able to reassure us somewhat. To this end, I have canvassed various bodies for assistance and questions: the London Symphony Orchestra, the City of Birmingham Symphony Orchestra, the Royal Opera House, the Royal Academy of Music and UK Music. As we will hear this afternoon, there are many concerns, but I will narrow them down. The main thrust of what I have heard and continue to hear is to do with the limitation and difficulty of movement, and in many cases our exit from the EU only exacerbates existing problems.

The arts depend on a cultural exchange of ideas, physical presence, artistry and creativity—an intercourse of thought and technique, whether that technique be dancing or instrumental. Jonathan Freeman-Attwood, the principal of the Royal Academy of Music—my alma mater—was passionate in his concerns that there should be no single pedagogy but open thinking and dialogue. To that end, it is vital that he can attract an international range of collaborators. For example, one teacher comes from Paris every week for two or three days, and there are cultural exchange programmes for students and teachers with Vienna, Freiburg and Berlin. The UK offers considerable value for money to students whose input, both financial and creative, is part of the lifeblood of the institution. As I speak, the academy has more EU students than ever before.

The Royal Opera House—of which my noble friend Lady Bull has enormous experience, having graced both its stage and its administration—frequently has to find artists in Europe at very short notice to cover sudden illness. Sometimes these roles can be performed only by a handful of people throughout the world. To see them step in, as I have been privileged to do, and take over a role without even rehearsing with the orchestra—sometimes they arrive at lunchtime on the day of a performance and will be stepped through it by the assistant director—is to marvel at their sheer professionalism and dedication.

If, in common with the orchestras, a production or a concert is financially possible only because it is being seen or heard in London one evening and in Paris or Berlin the next day or the next week, then any hiatus in transport—not only for the artists but for all the instruments and, in the case of ballet or opera, the sets and props—can throw the whole endeavour. I gather there used to be a special office at the Home Office to help with visiting artists and their visas. Will the Minister kindly update us on the status of this office, since clearly there is going to be a real and valuable role for it in the coming months?

Stephen Maddock of the CBSO makes a further telling point, and one to which I can attest from my experience as artistic director of the Cheltenham Festival. Mr Maddock points out that many soloists and conductors come to this country at approximately half the fee that they command in parts of Europe. If they further have to negotiate complex visa and work documentation, there is a real risk they will say that it is simply not worth the candle. That would hugely impoverish our cultural landscape.

If you couple these concerns with the statistics published in the *Guardian* this week on the number of 15 and 16 year-old students taking arts exams falling to the lowest level in a decade—the noble Lord, Lord Black, will doubtless deal with this in his debate next Thursday on the state of music education in schools—it is small wonder that the arts world is in some despair. And I choose those words advisedly. Perhaps the Minister will be able to give all of us great cheer and show us that we are being unduly pessimistic. However, despite my great admiration for the noble Viscount and his evident fondness for the arts, I rather doubt it.

3.52 pm

**The Lord Bishop of Chichester:** My Lords, I am grateful to the noble Lord, Lord Bragg, for the opportunity to consider the vital and pressing question of the impact that Brexit will have on the arts, in which we are internationally recognised as a world-class leader.

The arts can be misrepresented as an elitist and London-centric field. That view should neither pass unchallenged nor be allowed to become a self-fulfilling prophecy. There is a complex but demonstrable link between the arts and tourism, which in 2016 contributed £66 billion to the national economy. The Association of Leading Visitor Attractions, ALVA, has noted that across the tourism industry there has already been a fall in the number of EU workers, resulting in staff shortages and the use of staff who lack essential skills. ALVA has called for tourism to be considered favourably

by government in any arrangement that would allow certain industry sectors to have preferential access to EU labour markets.

This makes sense for an industry dependent on soft skills—people skills—to ensure the quality of service. But, in recognition of the vital contribution of the arts to tourism and the creative industries, I hope that the Government will also ensure that there is a similarly preferential provision for free movement for those who work in music, theatre and the visual arts—as many other speakers have already indicated—to ensure that the UK sustains its place as the leading cultural centre of Europe.

The complex economic link between tourism and the arts is exemplified by Glyndebourne, in East Sussex, in the diocese that I serve, with its famous summer festival and equally important touring opera programme. The potential loss of free movement is one of the greatest threats to its capacity to plan long term and to sustain its international status and attraction. Securing the best singers requires forward planning of three to four years. The uncertainty of a Brexit agreement, with the risk of additional costs in administration and the impact of a fall in the value of the pound, add significantly to the potential damage that Glyndebourne faces in its future planning—and it is not alone as an opera company in facing this. Equally, the same concerns have been expressed by Opera North, which, like Glyndebourne, is an important counterbalance to the concentration of artistic resources in London.

The inspiration to live and work as an artist on the international stage is often sparked in childhood. Schools that participate in the significant financial investments of, for example, our cathedrals and universities in the teaching and making of music are an important supplier of future artists. In the diverse musical life that Chichester Cathedral is presently able to sustain, we are aware of the cultural cross-pollination from which we benefit in the contribution of musicians from the EU and the formative experiences of choir tours in Europe, with the result that many of our musical ensembles are regarded as the best in the world. Restrictions due to additional costs and administration would threaten our capacity to attract and perform at the levels that we do, which would be weakened by the loss of such tours at an early and formative stage.

It is inevitable that we should express our concerns through reference to statistics and to arts administration and some other external things that shape the life of this sector. But the arts challenge us to be more intuitive and capable of naming a reality that is not a commodity. So I wish to quote an artist, Maciej Urbanek, who wrote to tell me what the impact has already been on him personally. He is from Poland, he grew up in a mix of cultural influences and places and he is now proud to be teaching photography at the Royal Academy Schools here in London, where he graduated with the gold medal award in 2010. He describes the announcement of the referendum result as the immediate start of a new social order. In the RA Schools a colleague joked, “What are you still doing here?” He is an international artist—an emerging leader in his field. Like many of his peers in the creative industries, he senses:

“London is becoming gradually less important”;

Glasgow is becoming popular, and definitely Berlin. To counter this, Tim Marlow, the Artistic Director of the Royal Academy, identifies the need for help with visas and travel for students, and the need for ways of circumnavigating trade barriers and borders for works of art being lent and borrowed. He said:

“I’m not as optimistic as I have been for most of my working life”.

The details of legislative process must not prevent us attending also to the noise of social discourse and its capacity to damage the culture and environment in which we sustain those who bring artistic and intellectual enrichment to us at every level of our society. I hope that government will be attentive to combating that noise with the provision of clear and hopeful signs for the future for those who work in the arts. Commitment to free movement would be one of the signs of government attention. Commitment to the retention of artists’ resale rights, which are like musicians’ royalties, would be another sign. Commitment to continuing our full participation in Creative Europe, which funds so many vital arts projects, would be yet another sign.

To conclude, the leader of a major art fund wrote to me to say that creativity is generally stimulated by adversity, and protest is a powerful muse. In the face of the adversity that the arts world is facing, I hope that the Government will commit to the arts as a muse that can continue to inspire us as a nation to be more expansive, inclusive and creative—and more fully alive.

3.58 pm

**Lord Bilimoria (CB):** My Lords, whether it is the arts, film, television, music, radio, photography, crafts, advertising, which we use a lot in my own business, design, libraries—you name it—we in Britain are the best in the world and we are proud of it. Our cultural sector accounts for 2% of our jobs, and the value of our exports runs into billions—nearly £8 billion. Great thanks are due to the noble Lord, Lord Bragg, who is an expert in this field, for bringing up this debate at this time. The noble Lord, Lord Liddle, clearly said that this was about the service sector, which makes up well over three-quarters of our economy. Where leaving the European Union is concerned, the issues will be losing our funding, the free movement that many noble Lords have spoken about and of course the whole issue of copyright laws.

The funding is huge. Hundreds of millions of pounds are at stake. The Government have said that they will ensure that everything that is in place now will be honoured, but what about after that? Will we continue with the level of funding that we have from the European Union? The reason for the funding, from the European Union point of view, is to improve skills and address the shortages and, in particular, to help SMEs. Will the Government focus on helping SMEs in this sector in the future with the funding that they will require?

Of course, the House of Commons committee has written report after report saying, for example, that Creative Europe,

“has been a catalyst for unlocking further private investment”.

This is not just about government investment; it is a catalyst for private investment. Does the Minister agree that that is the case? There is also the European



[LORD BILIMORIA]

Capitals of Culture programme. Will the Minister tell us what will happen to that? We have participated in and won that. It has helped us. Will we carry on?

My friend Sir Peter Bazalgette, chair of the Arts Council, has also asked whether we will continue to subscribe to Creative Europe, which noble Lords have mentioned, or leave the system. Where will the money come from to replace that? Will the Minister please answer those questions? Survey after survey of creative professionals show that 87% of respondents believe that the audio-visual, creative and cultural sectors would benefit from continued participation in Creative Europe. What does the Minister have to say to that?

What about EU workers working within this industry? In certain areas such as dance, some 58% are from the EU, with some 36% in music. Those are huge numbers. But it is also the other way round: our musicians and performers travel freely to Europe without any visa requirements. That is also something that the European Union Committee found.

What about securing social security co-ordination? What will happen to that? Here is a myth: we are told that there is unlimited free movement. But actually, will the Minister reassure the House that a 2004 regulation allows us to repatriate any European Union national who has come here under free movement who does not have a job after three years? Other European Union countries use that, but we are told that we have no control over our borders. The public have been conned—Macron was being kind when he said “lied to”.

On visas, the Government have now said that all people will be the same—European Union or not. So what will happen to all of these performers who have been coming here with free movement who will now have to apply for visas? What about the salary threshold of £30,000, only for the highly skilled? Who is highly skilled in this area? Who is low-skilled in this area? These are all brilliantly skilled individuals.

Then there are the billions that the arts bring to London, which is phenomenal. What has happened? The sad thing is that we have just lost our number one status as the world’s financial centre to New York once again, thanks to Brexit.

What about the arts students that come into our universities? I am chancellor of the University of Birmingham. Some 130,000 EU students come here and are allowed the loans and domestic fees that our students are allowed and are allowed to work freely after they graduate, which non-EU students are not allowed. What will happen to those 130,000, particularly in the creative industries, who are such a wonderful pipeline to increase our competitiveness?

An ICM survey by the Arts Council found that a large majority of stakeholders—some 93%—are concerned about the uncertainty and two-thirds report that they have undertaken at least one type of international activity. These are international organisations that host and send artists. Half of them report that artistic exchange is really important. The conclusion of the report is that,

“There is widespread negativity on the issue of Brexit”.

Artists will suffer. Ending free movement will result in a substantial loss of skills. One after the other, people like the composer Howard Goodall, have talked about this, and of course there is the famous letter from Bob Geldof. What about our art market? Brexit will threaten one of the best art markets in the world. Surveys of musicians show that Brexit has already had a negative impact on their work. Even so, our Culture Secretary, Jeremy Wright, says that the creative industries account for 11% of total UK services exports. Wow, but what are we doing about that?

Bob Geldof went on to say that with Brexit we are exposing ourselves to the equivalent of a “cultural jail”. In his letter he talks about “serious madness”. There is talk about taking back control, but he speaks of taking back our future and ends his letter with:

“Let’s rock Europe and let’s save our music, our musicians, our music jobs and our songs. Let’s save our voice”.

I conclude by asking: why are we doing this to ourselves? We do not have to go through this madness. After two and a half years, Brexit is completely out of date. Some 1.5 million youngsters, including two of my children, who were not old enough to vote then are now old enough to do so. It is their future that is being taken away from them. Everything we look at, whether it is the arts industry or the Northern Ireland situation as discussed earlier, is a disaster. I am in business and I change for the better; I do not change to become worse off. We do not have to do this. The most democratic thing to do would be to save our creative industries as well as every aspect of our economy and our citizens by allowing people a say: deal, no deal or remain.

4.06 pm

**Baroness Wheatcroft (Con):** My Lords, my thanks go to the noble Lord, Lord Bragg, for securing this important debate on a crucial issue.

Two weeks ago, I was at a reception for the creative industries where representatives were going to voice their support for the people’s vote. Musicians, dancers, actors and artists queued up to express their concerns about what the future holds for them and their sectors. They had no doubt that damage will be inflicted by Brexit.

Of course, some of their concerns were economic, as we have heard already in the debate. There is no shortage of statistics to show how both individuals and sectors will suffer significant damage in the event of Brexit. However, their fears go much deeper. They believe that leaving the EU would lead to a narrowing of horizons, that we would become impoverished culturally and attitudinally as well as financially. The noble Lord, Lord Bilimoria, has just referred to the letter written by Bob Geldof. The way he put the issue in that letter is very frightening:

“We have decided to put ourselves inside a self-built cultural jail!”.

Why would any of us wish to do that?

The arts have thrived in the UK and they will survive this potentially huge political misjudgement, but they will flourish less and, as a result, the people of this country will flourish less. Stephen Deuchar, the director of the Art Fund, has said that that organisation

is “deeply concerned” about the impact that leaving the EU will have on culture in the UK, in particular on museums and galleries.

It is a great sadness to me that, in August this year, my tenure at the British Museum came to an end—you are allowed only eight years—but my concerns for that institution and others like it remain deep. The British Museum employs people from all around the world. It is a museum of the world for the world, but after the Brexit vote those people encountered racism on the floor of the museum for the first time. I have spoken to people from all over the world working there who now feel less comfortable being in this country than they did and they are seriously considering whether they really want to be here, whether or not we are kind enough to allow them to stay.

It is inevitable that film, which is a major earner in this country, is going to suffer. Foreign studios spent £1.7 billion in the UK in 2017, double what they did four years ago. But if we leave the EU, we will lose valuable crew members and the industry may not be able to function as it does now, where people can just pop across the Channel and film on location. Indeed, some scenes for “The Crown” are being filmed in Europe. That will be much harder in the visa regime that may or may not come to bear.

The noble Lord, Lord Bragg, spoke eloquently of the effects of Brexit on the music industry, and Bob Geldof’s letter on that was very eloquent too. Award-winning composer Howard Goodall has been cited already this afternoon. He is very passionate about this. He said:

“There’s no easy way to say this but Brexit is a disaster for the Creative Industries in general and music in particular”.

The House of Lords EU Select Committee’s report on this issue concluded that being able to move between the UK and the EU was,

“integral to the business model of many cultural sector organisations”.

I hope my noble friend the Minister will be able to reassure us all that moves are afoot to secure the visas that will make life at least possible for those in the industry. The flexible visa that the committee recommended would be a start, but it would not deal with the narrowing horizons that the very prospect of Brexit is already imposing on this country.

A recent survey by the North East Culture Partnership found that, since the 2016 vote, European collaborations with their institutions in the north-east had fallen by 14%. That is before the EU funding that currently plays such an important part in this country has vanished. What is more, the regions will suffer far more than London. As a commercial centre for the arts, London will thrive, but it will be people in the regions—who, in many cases, felt most strongly about leaving the EU—who will reap the worst results, as they will in so many ways.

Already, there has been a big blow delivered to those cities such as Leeds, which had high hopes of being designated European Capital of Culture in 2023. Alas, Liverpool won that designation in 2008 and it made a huge difference to the city, not just financially but psychologically. Perfectly understandably, the EU has ruled that, in 2023, no British city will be eligible to be a European city, let alone European Capital of Culture. The most stringent Brexiteers will find that

good news; I do not. I think it consigns us perilously close to the little England that I really do not want my children or grandchildren to grow up in.

As others have said, this is not what the majority of this country want, so I fully support the call for a people’s vote on the outcome of the Government’s negotiations. That seems to me to be the ultimate in democracy. We should be asked to give our informed consent. The people who supported remain at that reception two weeks ago are putting their money where their hearts are, and are sponsoring coaches to bring people to London cost-free for the march on 20 October. People including Natascha McElhone, Patrick Stewart, Ian McEwan and Steve Coogan are all sponsoring coaches—there are a few more available, should anybody here wish to do so. I applaud what they are doing. In conclusion, I ask everybody to be there on 20 October.

4.13 pm

**Lord Adonis (Lab):** My Lords, my noble friend Lord Bragg has done so much to foster the nation’s culture and creativity. His speech today was another great contribution.

One in 11 jobs are now in the creative industries. Our creative industries have built their success on Britain’s place in the EU. According to Arts Council England, 70% of our arts and culture organisations work in the EU, and the EU makes up 60% of all international activity by the English arts sector. British arts and cultural organisations rely on European artistic talent not being constrained by national borders. As last week’s joint letter from British musicians to the Prime Minister said,

“it is the much-mocked freedom of movement that so effortlessly allows our troubadours, our cultural warriors, to wander Europe and speak of us to a world that cannot get enough of [them], and which generates countless billions”.

It is vital to appreciate that free and frictionless trade and movement throughout the EU are integral to not only the success but the very existence of much of the creative sector. The majority of arts companies are small organisations whose creative projects often last only a few weeks or months, so even small entry costs or administrative delays quickly become prohibitive. Touring Europe is an essential part of many British artists’ incomes made possible by freedom of movement, the customs union and the single market.

The UK urgently needs more, not fewer, creative workers from the EU. More than half of the creative firms in the UK already report serious skills shortages, with job titles including dancers, musicians, animators and graphic designers on the shortage occupation list. One in five of all British orchestra members are from the EU and the Association of British Orchestras is deeply alarmed by the Brexit talent drain. Mark Pemberton, director of the association, said:

“Musicians starting out in a career in an orchestra are not earning £30,000 a year. We are highly skilled but not highly paid. Sometimes, the people at the Home Office do not understand that. They assume that high skills equals high pay, and it does not in the creative sector”.

This is not just about EU artists coming here. The EU has informed us that it would impose reciprocal migration arrangements, so the Prime Minister’s proposed

[LORD ADONIS]

abolition of freedom of movement will restrict British artists' ability to work and travel across Europe. The Incorporated Society of Musicians reports that its members are already losing work due to fears about the Government's post-Brexit migration policy. The brilliant, award-winning composer, Howard Goodall, says that Brexit could be,

"a death-blow to our music industry, choking off the current ease with which creators and musicians tour, study, work and promote to the market where we sell 60% of all our music".

Brexit will also entail a devastating loss of EU funding for British arts. Through the European structural and investment funds and Creative Europe, the EU has invested hugely in the UK's arts and cultural institutions—a resource that will no longer be available. The noble Baroness, Lady Wheatcroft, mentioned the European Capital of Culture programme which, as she rightly said, was transformational for Liverpool in 2008. A joint bid between Belfast and Londonderry/Derry was among the proposals for a British city to host the programme in 2023. I cannot think of a single place where the programme could have had a more beneficial impact than those two cities, but it will no longer be available.

As my noble friend Lord Bragg said, the EU's powerful global position has also been critical to protecting the intellectual property of British artists. Much of that protection will fall away if we do not remain in the single market and continue to adopt EU policy in this area. There is a common theme to all this: Brexit is about shutting ourselves off from Europe, whilst our arts have thrived on the openness and internationalism that the EU enshrines.

There is one final, ironic twist. The anthem of Europe, much hated by Brexiters, is the "Ode to Joy" from Beethoven's ninth symphony. That symphony was commissioned in 1822 by the Royal Philharmonic Society of London.

4.18 pm

**Lord Wallace of Saltaire (LD):** My Lords, I also want to talk mainly about the music sector, which is the one I know best. I thank the Association of British Orchestras and the Incorporated Society of Musicians for their briefings. I declare an interest as a current trustee and the original chair of trustees of the VCM Foundation at the Gresham Centre. We do both education and performance: two ensembles perform in Britain and, in the coming months, will perform in France, Germany, Italy, Spain, Belgium, China, Japan and the United States.

Yesterday, I was talking to our chief executive and our head of education, who are currently in Paris leading a seminar for French teachers on musical education in schools. We are part of Britain's soft power, which we risk losing. As part of our musical education, we bring choirs from different countries together. The last-but-one concert I went to at the Gresham Centre in Gresham Street had an American choir and the choir of the Shoreditch Academy, most of whose members have never been out of London, singing together. That is, again, part the way in which the arts can expand people's sense of where they are. The Voces 8 Method—our method of teaching people in schools who have never come across music before—has

now been published in English, French, German, Japanese and Mandarin. That is the sort of spread which, in all sorts of ways, we have with the arts in this country, and which is at stake.

The uncertainty is the biggest problem we face, and I ask the Minister a specific question: the White Paper, *The Future Relationship between the United Kingdom and the European Union*, published in July, says at paragraph 76:

"Given the depth of the relationship and close ties between the peoples of the UK and the EU, the UK will make a sovereign choice in a defined number of areas to seek reciprocal mobility arrangements with the EU".

That was written nine months before we are due to leave, and 15 months after the referendum, and we are now less than six months from leaving. The idea that we are still "seeking" reciprocal mobility arrangements, when orchestras and other organisations have to plan three or four years ahead, is part of the reason for the frustration he is hearing all around the Chamber. Can he tell us what progress is being made on that, and when the Government may be able to tell the cultural sector what reciprocal arrangements they hope to achieve? Paragraph 79 of the White Paper says that,

"mobility is a key element of economic, cultural and scientific cooperation".

Yes, it is—we need to make sure that people can plan ahead.

It is the incoherence of the Government that is most frustrating in all of this, not only in cultural but scientific co-operation, on which I am also doing some research at present. DCMS is, I am sure, thoroughly committed to this, but the Home Office, meanwhile, is blocking things. It is promoting a "hostile environment" for foreign visitors. The noble Lord, Lord Berkeley, asked what has happened to the special office within the Home Office that used to deal with visas. I am sure it has been outsourced to a private provider by now, possibly one outside this country.

A number of noble Lords have already noted how much the costs of visas are already a deterrent. The Home Secretary suggesting that imposing non-EU rules and practice on European visitors and workers is where we go from here really does suggest that the largest single number of exchanges we have—with our geographical neighbours—will suffer from the same sorts of frustrations that Australians, Canadians, Americans and others have in pursuing cultural exchanges. We have heard already about repeated short-term visits in both directions, for opera singers and orchestral musicians, and how these often take place at short notice. We have also heard about health insurance, VAT, copyright and the like. It is the accumulation of obstacles that deters people from making the attempt to exchange. The atmosphere in which culture flourishes or fades is created by such obstacles, and that is what the Government are now doing.

The rhetoric of "global Britain", with an underlying tone of closed borders and an inward-looking England, is part of what is happening. The most disgraceful thing the Prime Minister has said on all this, is to talk about the "people of nowhere" compared to the "people of somewhere". If you are in the cultural field, you are unavoidably one of the "people of nowhere"—you



travel, exchange and learn. UKIP and the Brexiteers love singing “Land of Hope and Glory” and “Jerusalem”. I did a quick Google to remind me of where Elgar looked for his musical experience, which of course was Germany. He wanted to study at the Leipzig conservatoire, but managed only a summer there and in Paris. Parry, much the same, thought that German music was the best. The “Enigma Variations” premiere was conducted by Hans Richter and Elgar’s “Violin Concerto” was commissioned by Fritz Kreisler. These exchanges are not new. The quality of British culture and music depends on a network. That sort of international network requires rules and openness. If global Britain and open Britain mean anything, this is one of the things that the Government must achieve and they must carry their cultural sector with them.

4.25 pm

**The Earl of Sandwich (CB):** My Lords, there is a lot of artistic talent around this House. We are all grateful to the noble Lord, Lord Bragg, as one of our leading practitioners, for introducing this debate, which persuades me that the evidence is overwhelming that we will lose money from Brexit, especially from the arts.

Arts and culture are, as all of us know, critical to our society and our economy, and their contribution is inestimable. Yet they are viewed by some as somehow additional and expendable. They are therefore always vulnerable to sudden change, whether to loss of funding, local authority cuts, or to the menace of Brexit in all its forms. Most arts projects routinely have to struggle to find money these days both for capital and for running costs.

At this point I pay a very brief tribute to the city of Dundee and all the other backers of the new V&A museum there, including government. My wife and I visited it last month. It is spectacular architecture in a compelling setting on Tayside—indeed, a tribute to the city’s industrial past—and it is attracting thousands of visitors, showing that even during austerity there are people who can stand up for the arts and ensure that it receives proper funding.

On the crucial question of free movement, the noble Lord, Lord Bragg, and others have already mentioned the ICM poll that showed that nearly two out of three of our arts organisations currently work inside the European Union. Nearly half of those need regularly to move equipment and objects between the UK and the EU and they say that artists need to work at short notice in either jurisdiction. In the case of dance organisations, more than half employ EU nationals. Film companies expressed their concern this week. One company, Framestore, said that it would have to pay £3,000 per person, including legal fees, to obtain visas for its 300 European staff. Many speakers have already mentioned the position of the lower paid.

As the noble Baroness, Lady Hooper, said, our own home affairs sub-committee reported on the movement of artists post Brexit. I stress its repeated conclusion that the Government,

“pursue preferential arrangements for UK-EU migration”.

I am confident that this Minister appreciates this, but I am not sure that it fits into the PM’s latest announcements on migration or the recommendations of the Migration

Advisory Committee. She well knows, however, that our culture is a European culture and most of us cannot conceive of a new offshore world that ignores this obvious fact.

The Arts Council has outlined the general problem of Brexit, referring to negative feelings and the economic uncertainty arising from the referendum, but we do not need to demonstrate the consequences of Brexit—some of us feel it in our bones. I have to express the emotional side as well. I was brought up to enjoy and experience literature, music, opera, theatre and dance originating in Europe. In my own career, after studying languages I trained with Piper Verlag in Munich and Gallimard. At the time of the first referendum I spent a year co-founding a journal called the *European Gazette*, which summarised the European press.

When I heard the second referendum result I immediately emailed friends in France, Belgium and Germany—most of them in fact involved in the arts—to apologise for the appalling so-called democratic decision that was actually advisory, not binding on government, and in any case was based on several false alarms about migration and the NHS. I was sorry that we had not remained as one of the EU’s architects to reshape the Union and that, worst of all, we were going to suffer considerable losses from our close association with fellow members. As far as my friends and I are concerned, we were part of Europe and our separation is retrograde. All these friends appreciate the value of European arts and culture and the huge advances made over centuries in common interpretation and exchange of experience. The Minister may say that these will remain, but he must accept that Brexit, if it ever comes to pass, could be an earthquake as far as funding and scholarship are concerned.

What will continue, of course, are the landmark occasions. I have been lucky, like many others, to hear Simon Rattle conducting Mahler in Berlin and to visit the great museums in Vienna and Amsterdam, and these things should not be affected. What may not survive is the experimentation, the work of younger artists, the regional theatres and other smaller-scale projects which have benefited from European exchanges or funding.

I will stray briefly into culture and heritage, because my wife was on the HLF for the south-west and I was once on the ITV “Telethon” in Plymouth. Through this, I came to understand the importance of local identity and pride in local buildings as well as arts projects in the West Country. There are some magnificent examples of regeneration through these funds and through EU regional funds. More recently, European regional funding has helped my son with the conversion of a 17th century coach-house as a venue for weddings and arts events. All these projects might not or would not have happened without the EU, yet they bring huge advantages to the national and local economy. There is little sign that the HLF or Historic England are going to make up the shortfall—rather the reverse. The Minister may argue that the UK will get its money back, but can he say today that more money will flow into the arts and culture? Of course he cannot, but I wish he would.

4.31 pm

**Baroness Warwick of Undercliffe (Lab):** My Lords, I thank my noble friend for securing this debate. During this period of uncertainty it gives us a welcome opportunity to highlight just what is at stake for the arts in the UK. I want to talk about mobility and I make no apology for echoing others in the debate. We know from the many reports and witnesses to inquiries held since the referendum that it is essential for many cultural sector organisations and for self-employed artists that they are able to move between the UK and EU countries at short notice. As the British Council has pointed out, the cultural sector, along with education and science, is by nature international and mobile. Success depends significantly on the ease of movement of people and assets. Large-scale performing arts, such as opera and ballet, draw on global talent, much of it European, both long term and at very short notice.

Current arrangements enable EU citizens working in the arts to work in other EU countries without either having a visa or paying into two social security systems. EU artists do not need a visa to tour in the EU or for one-off or short-term engagements. Post Brexit, all that will change. Instead of free movement, the July White Paper outlines future mobility arrangements that allow for the movement of talented people and enable young people,

“to benefit from ... cultural exchanges such as Erasmus+”.

It also proposes “cooperative accords” that would allow for,

“the UK’s participation in individual EU programmes”.

It says:

“The UK is open to exploring participation in”,

the excellent Creative Europe programme and the successor to Erasmus. What does that mean? We do not yet know: there are no details, nor are there commitments to participation beyond the transition period. This lack of commitment and clarity is deeply frustrating and damaging. We need assurances that the proposed new visa system will take the sector into account. Salaries, as required for tier 2 visas, are not an appropriate proxy, as others have said, for skill in the creative and cultural sector which, while it relies on highly talented individuals, often pays salaries less than the UK median.

Like other noble Lords, I am very concerned about this potential impact of Brexit on the movement of skilled but low-paid people in the creative industries. More broadly, I am concerned about the impact of that loss of movement on our own world-view. Isolationist tendencies in the UK can only have a negative impact on prospects for young people post Brexit. By way of illustration, I am grateful to the House of Lords Library for drawing to my attention a recent article in the *Guardian* by Franz Fischler, former European Union Commissioner and now president of the Alpbach forum, the European festival of ideas. This annual event brings together thousands of international experts and offers 700 scholarships for young people to take part. This year, UK applications plummeted; there were fewer than 10 British student participants. In voicing his dismay at this, Mr Fischler reminds us that

while Europe is much more than the EU, the EU is the main institution to improve our social and cultural connections, as well as our economic ones.

What is at stake here is not just economics and making deals. As we know, some 73% of those under 24 are estimated to have voted to remain in the EU. As Fischler says, we owe them the best possible future, enriched by an understanding and connection with Europe. I believe this is best ensured by free and open access to our European neighbours. Funding those connections is crucial. The benefits of EU-funded programmes such as Erasmus, Horizon 2020 and Creative Europe must continue if we are to ensure that young people in the UK and other European countries have the opportunity for intercultural and international experience, whether through study, work, performances, research or language learning.

As the British Council says, such experiences develop skills, create opportunities, broaden horizons and build much-needed trust and understanding between nations. I was heartened by a set of recommendations from an event hosted by the European Cultural Foundation and the British Council in Brussels earlier this month. This brought together more than 60 experts from the cultural and creative sectors across Europe, and articulated their concerns about freedom of movement, funding and partnerships—all central to the future UK-EU relationship. They are asking for specific arrangements allowing artists, cultural and creative industries professionals, their teams, material and equipment to move freely across borders in the UK and the EU. If artists, musicians and dancers are restricted in their movement between the EU and the UK, we are all the poorer. Can the Minister give an assurance that the UK will support the principle of free movement for creative industries professionals?

Free movement is vital to the UK’s arts and cultural sector. It plays a great role in promoting the UK abroad—something that will arguably be even more important post Brexit. We have more active cultural partners than any other European country. We must keep touring, collaborating, exchanging and inviting.

Continuing UK participation in programmes such as Creative Europe and the EU cities of culture will help both the movement of creative professionals and students, and the reach of British culture into the world. Will the Minister commit to making it an objective of negotiations to secure the UK’s ongoing participation in Creative Europe? Does he agree that the arts can help articulate who we are as a country, both to ourselves and beyond, as we negotiate our new place in Europe?

4.37 pm

**Baroness Bull (CB):** My Lords, with so many critical issues still to resolve, some people might ask where the arts should come on the Brexit agenda. Let me address that head-on by clarifying what I mean when I talk about “the arts”. Yes, I mean our world-class institutions, dancers, musicians, writers and composers, about whom we have heard so much today, but I also mean the 90% of arts organisations that are micro-businesses, employing just a handful of staff. I mean an army of freelancers: 47% of creative workers are self-employed;

for musicians, it is 90%. I mean the 79% of the UK adult population attending arts events, so far absent from today's debate. I mean the 10 million people taking part in voluntary arts activity, from local orchestras to crafts. These everyday artists are a vital part of a cultural ecology that is mutually reinforcing. They are the context in which our national organisations, the world-famous artists, SMEs and freelancers flourish. That is what I understand by "the arts". Taken together, it is a sector that leads the world in creativity, provides 2% of total UK jobs, and exports services worth £7.6 billion and goods worth £10.5 billion—a sector growing at double the rate of the rest of the UK economy.

This is a sector that matters, not just for the art itself and its impact on society, which I will come to later, but because it makes a major contribution to our nation's success. It is a sector that has grave concerns about exiting the EU. I know from personal experience that artists and the art itself are enriched by international exchange. But reductions in freedom of movement, as we have heard, would also have practical and financial consequences. Applying the tier 2 salary threshold in this low-paid sector would present what the Creative Industries Federation calls an insurmountable challenge. Musicians are often booked at a few days' notice, as we have heard. This is barely time to get to grips with the score, let alone get a visa. Visa arrangements would also need to protect the right of freelancers to undertake additional work between gigs. This is the work that pays their rent and puts food on the table.

The sector is also concerned, as we have heard, about the loss of EU funding, which benefited one in three artists in 2017. Significant cultural infrastructure has been built on EU money, not least the International Convention Centre in Birmingham—home last week to a rather unexpected dance debut. It is a painful truth that this loss would hit hardest the regions that voted leave. In the decade to 2017, the four areas with the highest proportion of leave voters received double the EU culture funding received by regions with the lowest leave vote. Redcar & Cleveland's Hub and Beacon and Middlesbrough's Boho Zone are not just spaces for creativity; they drive the local economy. It was particularly poignant last weekend to see The Giants return to Liverpool and to recall the massive social and economic impact on the city of an opportunity for which the UK is no longer eligible to apply.

Then there are the regulatory and legal issues. Howard Goodall, who has already been mentioned, has spoken eloquently about the challenges of composing in an international digital domain in which copyright piracy is endemic. Creatives have more chance of standing up to the illegal marketplace, not to mention the mighty global corporates, as part of the unified group that is 28 nations. Goodall points out that—as we have heard—what are currently creative sector issues are everyone's future, since 3D printing makes it possible to copy other people's intellectual property at will.

A badly managed exit from the EU risks long-term damage to one of the UK's most consistent growth sectors and I congratulate the noble Lord, Lord Bragg, on raising this important issue. But there is another issue, equally important, that we need to consider: not the impact on the arts, but the impact of the arts in a

post-Brexit society. If we are to be the truly global Britain that has been promised, we will need new ways to connect and foster understanding between nations. The arts are a powerful ambassador for the UK, promoting a positive image that attracts tourism, inward investment and foreign students, but we will not be able to project a positive image globally until we have mended the roof here at home. Brexit is a story of division: a complex range of geographical, social and cultural differences; of inequalities; of communities that saw no benefits of globalisation flowing on to them.

Immediately after the referendum, the arts sector began to question what part might have been played by the disparity in public investment in culture between post-industrial cities, seaside towns and metropolitan centres. Analysis by *ArtsProfessional* confirmed this correlation between leave areas and reduced arts engagement. There is strong evidence that arts participation can catalyse the development of communities and encourage integration, cross-cultural understanding, empathy and tolerance, so the sector began to consider its own responsibilities to address the divisions that the 2016 vote exposed. Organisations such as Battersea Arts Centre are exploring their roles as community centres, using shared creative experiences to strengthen and upskill local communities. One hundred arts venues nationwide have come together to form a Co-Creating Change network, working with local communities to drive social change. Just last weekend, 384 Fun Palaces across the UK demonstrated how such arts venues can open up to put communities at the heart of culture. Organisations such as London's Roundhouse have built twinning relationships to redress the imbalance in cultural provision across the country by partnering with Gloucester. These are just a few examples of the arts sector taking action to address continuing community concerns about unity, civic life and inequality.

I said at the start that in my definition, it is the interconnected ecology of institutions, SMEs, freelancers and everyday participants that constitutes the arts in the UK. If this ecology is nurtured, the arts will continue to contribute to our global reputation, to economic success, to equalising opportunities and to the cohesion of our communities. Damage one part of the ecology and the rest will suffer—and, post-Brexit, I truly believe that we are going to need the arts more than ever before.

4.44 pm

**Lord Parekh (Lab):** My Lords, when I first saw the announcement for this debate, I asked myself what it was about. Was it about revisiting the controversy about Brexit or no Brexit? There is a danger of doing that, but the decision has been taken: the country wants to get out of the European Union. Therefore, any attempt by us to point out what damage getting out will cause to our arts will not influence that debate because it has already been settled.

This debate is important, however, because it can influence another issue: the terms on which we get out. We are therefore debating not whether to get out of the European Union but the benchmarks in the field of art which the negotiators in the European Union



[LORD PAREKH]  
should bear in mind. When the deal finally comes to Parliament—as I hope it will—Parliament should have criteria on which to decide whether to accept the deal. Here, we are laying down some criteria by which it can decide whether to accept the deal. It is in that spirit that I want to approach this question: it is not about getting out or not getting out, because that is settled.

Membership of the European Union can be discussed at four levels. The first is purely economic: what benefits and harms does it have? The second is political and is about how membership has prevented wars and the climate it has created. The third level is historical: what stage does it represent in the history of our country and our global impact? The fourth is cultural: how has it and will it influence our cultural life?

I thank my noble friend Lord Bragg for bringing this subject to our attention and introducing it with his characteristic brilliance. His introduction of the debate was outstanding. I shall simply lay down the benchmarks that indicate why, whatever form our exit takes, certain criteria should never be violated. Art does not develop in the abstract; it requires certain conditions in which to develop. Among those conditions, three are extremely important. The first is imagination, as that is what art ultimately is. The second is the market, because an artist does not live by art alone any more than man lives by bread alone—he has to have a market where his product is valued. The third is resources; without resources, a man is absolutely helpless. These are the three preconditions for the development of art. Does our membership of the European Union meet those conditions? Yes. Does our getting out frustrate those conditions? Yes. I therefore want to indicate briefly how our departure from the European Union could have a damaging effect.

I shall talk first about imagination. Imagination requires diversity. It requires exposure to something new: a new idea which an artist can play around with to create a fusion of sensibility. For that kind of imagination to develop, it requires constant contact and diversity, and collaborative work with other people. Take David Bowie. As a young man, he spent three wonderful years in Berlin. They were inspirational, formative years for him, and he came back and produced exciting albums, including “Heroes”. That is what imagination can do. That could be frustrated, because once we are out of the European Union, people will need a visa and travel will become costly. People will not be able to leave at short notice and all kinds of other obstacles will get in the way. Even if the Minister were to say that visa regulations will be waived and people will be free to go, it will not be constant contact. Each of us will be living in our own silo and therefore interactive contact will be missing.

Turning to resources, between 2007 and 2016 we received £234 million from the European structural and investment funds and £111.8 million from the transnational funds. It is unlikely that the British Government can take care of that. Even if they do so in the first year, can they continue to do so in years to come? Knowing the history of the Government—and even the history of my own party—I am not entirely sure that they will be very generous in funding the arts.

The EU has done a great deal of work in this area in providing resources. It has provided financial and technical assistance, developed networks and provided large audiences and a large market. The Creative Europe fund is particularly important and is crucial to securing additional investment. It has created transnational mobility and international access, and stimulated and strengthened the financial capacity of small and medium-sized industries. It has also helped museums and art galleries to share their skills, ideas and resources.

Europe remains the largest market for British film and music. We should also remember how, when the European Capital of Culture was Glasgow in 1990 and Liverpool in 2008, those cities enormously benefited. For us to cut ourselves off from the mainstream of Europe where we belong, and to hope that we could duplicate those benefits on our own, would be an absurd enterprise.

4.50 pm

**The Earl of Clancarty (CB):** My Lords, I am grateful to the noble Lord, Lord Bragg, for introducing this important debate. My comments will focus on individual artists and performers.

The latest report by the Incorporated Society of Musicians, part of the FreeMoveCreate campaign, finds that more than one-third of musicians receive more than half their income from working in the EU. That is evidence of the strong relationship that British musicians have with the rest of Europe. Indeed, Europe accounts for 45% of the market for all the arts and creative industries. The same survey found that 39% of musicians travelled to the EU five times a year. It is clear from most of the briefings I have received in the last year that free movement within Europe is by far the most pressing concern for artists and those who work in the arts, followed by concerns over the movement of equipment such as musical instruments and scenery for theatre and dance, as my noble friend Lord Berkeley of Knighton has outlined.

If Brexit is to happen, it is essential that there are at the very least long-term visas of at least two years, preferably longer, covering multiple entries, as well as visa-free travel for artists who have to move quickly and at short notice. However, that would not cover those UK citizens who will be most affected by Brexit: the young, the unestablished, the unsalaried, and those curious and excited enough to explore their continent on an ad hoc basis to travel, work and study abroad. They are the true agents of cultural influence and exchange, because that is the time when this happens. Some of them may make significant contributions to the arts in future but will quite possibly never earn anything like £30,000 a year, which is—just to take an example—double the average wage for a graphic illustrator, a much-needed skill in the creative industries. And I am assuming here that there will be some kind of reciprocity in the arrangements.

Yesterday, *The Stage* reported BECTU as saying that the biggest effect on those coming the other way, into the UK, will be on front-of-house and backstage employees, who often use their income to support their own creative projects. That loss would be our loss—a loss to our culture of collaboration. Many arts

organisations work on shoe-string budgets, so an additional immigration skills charge would be a killer for the arts. I read that the Secretary of State has called these measures too blunt an instrument. What is the present state of discussion between the DCMS and the Home Office on these proposals?

I come to a significant point that I have made before, but it is worth repeating. The work of the artist, in whatever medium, differs from conventional trade in one key respect: the artist himself or herself is an essential aspect of the product. It is all too easy to underestimate the importance of this in the digital age. Free movement is crucial and, it has to be said, this is true not just of the arts but of other service industries, which in total comprise 80% of the UK economy. At £92 billion, the creative industries are worth more than the car and aerospace industries put together. Yet all the emphasis in relation to Brexit by both the Prime Minister and the Leader of the Opposition has been on conventional goods and manufacturing. This is sticking our heads in the sand in a big way. It is impossible to see how the services sector can be protected and will grow if we do not remain, at the very least, part of the single market.

This Government and previous ones have supported the idea of ensuring that British enterprise can compete at the highest level anywhere in the world. However, we see already, before Brexit has even happened, impairment of these opportunities. The ISM survey I cited shows that UK musicians, 90% of whom are self-employed are, worryingly, already losing work in Europe, irrespective of their skills—work which, for many, cannot be replaced. All those in the creative industries whose main work is in Europe are rightfully fearful of the consequences of Brexit.

There are other concerns for creators, and I want to mention just a couple more. The Authors' Licensing and Collecting Society highlights upcoming measures to protect authors, which are currently proposals within the draft directive on the digital single market. They are transparency, the right to information on the exploitation of work, and the so-called bestseller clause, the right to claim additional remuneration derived from exploitation of work when contractual remuneration is low. Considering the continuing fall in typical income for authors, these benefits will be extremely welcome. Do the Government intend in principle to implement these measures, whatever course we take in relation to the EU?

The Migration Advisory Committee's final report on EEA migration in the UK, which made no mention of the arts or creative industries, stated that,

"people are more concerned with migration in general than the impact on their community".

It also stated that,

"the proportion of people who like their neighbourhood is higher than 25 years ago".

The fear of the other is always a fear in the abstract. Our country and our society has thrived on influence from the outside, on the exchange of ideas and on input from other cultures. This is the very pulse of the arts, which we are in danger of stopping. All of us now know much more about the EU and the complexity of our relationship with it than we did two years ago.

The polls are clearly moving in a different direction. I support a people's vote, which should be fairly worded and include an option to remain.

4.57 pm

**Lord Foster of Bath (LD):** My Lords, I too congratulate the noble Lord, Lord Bragg, both on securing the debate and on an inspirational speech, and say how much I agree with the noble Lord, Lord Liddle, that the Government should listen to the concerns expressed by the noble Lord, Lord Bragg, and so widely during this excellent debate today.

When a shock comes, the ability to survive it depends on how strong something is. Brexit will undoubtedly be a significant shock to the arts in this country and to the creative industries underpinned by them. Sadly, the arts are now in an increasingly fragile state and are less well protected from the shock of Brexit than many of us would have hoped.

I was recently in Cuba, where I had the opportunity to experience some amazing music, dance and drama. Cuba has a wonderful and thriving cultural scene, which stems in part from the huge significance that arts and culture are given in the Cuban education system. In this country, the fragile state of our arts and culture stems from the gradual erosion of the importance that we give to the arts in our country. The figures are stark. Only a couple of days ago, the University of Sussex published a survey into the state of school music education which showed a significant drop in the number of music teachers in all schools where year 9 music is compulsory. It is not just in music. Fewer and fewer pupils are taking GCSEs in arts subjects. They now account for just one in 12 of all GCSEs taken, compared to about one in eight just five years ago. It is no wonder that we read headlines such as, "Collapse in GCSE arts subjects gathers pace", and "Decline in creative subjects at GCSE prompts fears that arts industry could be damaged". According to many, the cause of this decline has been the budget cuts and the introduction of the EBacc, which does not include any art or design subjects.

Yet the Government are in denial. Budget cuts are disputed. The Schools Minister, Nick Gibb, said recently that concerns that the EBacc policy is driving out the arts are "simply not true". Does the Minister agree with his colleagues? Surely he cannot deny the evidence of teachers and head teachers up and down the land, who talk of steering pupils away from arts subjects to concentrate on EBacc subjects. In the light of clear evidence to the contrary, will the Minister also explain why, as reported in the *Independent* on 2 August this year, a DfE spokesman said that,

"the proportion of pupils taking arts subjects as GCSE has remained largely stable since 2010".

This is simply not true; arts and culture are not in the strongest position to withstand the shock of Brexit. No wonder so few in the art world voted for it. As the noble Earl, Lord Clancarty, pointed out, the impact is being felt before we have even exited. We have heard of the difficulties in attracting skilled workers into the creative industries, of creative organisations either moving or planning to move abroad and of UK participants being marginalised in European cultural projects.

[LORD FOSTER OF BATH]

The Brexit shock to the arts, as noble Lords have said, has many facets, from reputational to financial. On finance, Brexiteers make much of the money we pay to the EU, but very little of the money we get from the EU. Yes, the Government have promised a time-limited, so-called funding guarantee post Brexit but, rightly, noble Lords have asked a number of questions about that guarantee and we await with interest the Minister's reply. In particular, we hope to hear whether the Government will push to ensure that we continue in projects such as Creative Europe and successor programmes. I will be particularly interested to hear about guarantees in relation to capital funding in the future. European structural and investment funds have, over the last 10 years, provided £234 million for capital works to the arts, museums and creative industries. What guarantees are there that similar capital funding will be available in the future?

Noble Lords have rightly raised concerns about potential restrictions to the free movement of people and of goods and equipment. Examples have ranged from the Association of British Orchestras fearing a need to increase its fees to perform in EU27 countries to the difficulty in attracting performers to UK festivals. As your Lordships' EU Committee recognised earlier this year, the ability to move between UK and EU countries at short notice is,

"integral to the business model of many cultural sector organisations".

The committee heard that European-wide tours would be impossible to schedule if visas were required for each individual country. It heard concerns about cross-border transportation of instruments, props, designs and works of art. It recognised that, for talented individuals coming to the UK, a visa system based on current models would restrict many from doing so because they simply cannot be paid at salaries that meet the current minimum levels.

I accept what the noble Baroness, Lady Hooper, called for—a reciprocal short-term touring visa—but I do not believe it is a real substitute for the benefits of free movement. I hope we will hear whether the Minister whether shares the concerns expressed about these issues in your Lordships' House, and that we will hear a little about any plans to avoid the potential problems. Does he agree that, when people come to this country to work in the arts and cultural sector or in the creative industries, we benefit not only from their skills but from the different cultural background they often bring, which will enhance our own? As the chair of the Barbican Centre Trust has said:

"Arts should be without boundaries; they unite rather than divide".

The issue of intellectual property rights has also been raised. The protection of IP is vital to support creators. For too long we have seen, for example, huge global companies not paying their fair share to UK musicians. The EU, through the new copyright directive, is tackling that situation; post Brexit, without the right deal, we will lose influence and participation in the digital single market as well as in collaborative intellectual property protection and, crucially, in enforcement, not least to tackle online infringement and counterfeit goods.

It is worth reminding ourselves that, although intellectual property is covered by World Intellectual Property Organization agreements, enforcement and licensing are not. So will the Minister explain how we will maintain current standards of IP protection, how we will continue EU co-operation on enforcement and how we will continue to play our part in the EU's development of policy in that area?

The problems facing UK arts post Brexit are enormous. I fear that we may well have a very insular artistic period ahead—one dominated by the few who can afford to survive the shock, and probably one that is largely centred in London. I fear that our hugely successful creative industries will be unlikely to maintain their enviable world-beating status. Like the noble Lord, Lord Bragg, and so many others, I hope that there will be a chance for the country to think again.

5.05 pm

**Lord Griffiths of Burry Port (Lab):** My Lords, what a debate this has been and what an invidious position the Minister finds himself in, as every speech from every corner of the House has struck the same note.

**Lord Adonis:** He is used to it.

**Lord Griffiths of Burry Port:** I ignore noises off and promise that someone will be exiting chased by a bear shortly if he continues.

First, I express my gratitude, along with others, for the fact that my noble friend Lord Bragg has introduced this debate. Her Majesty the Queen has considered him worthy to be a Companion of Honour, but he is a companion of honour to all of us sitting here and, for those of us on this side of the House, a comrade in arms for the people's education. We honour him for all that he has done, first, in promoting the arts and, secondly, in cultivating, over decades, a public who are more aware of the riches of the arts. His work is truly incalculable and no one deserves to introduce a debate or to be listened to more than him. So we start on a very good foot, although of course I commiserate with the Minister.

It was many months ago when Karen Bradley—three Secretaries of State ago—spoke of the fact that the Government were,

"looking carefully at the areas in which it is important that we continue membership".—[*Official Report*, Commons, 14/9/17; col. 956.]

She was referring to the status of the arts post Brexit. However, the Select Committee on Digital, Culture, Media and Sport reported that,

"Ms Bradley did not commit to continued membership of any particular programme or a timeframe for a decision".

Have we not heard that again and again in one sector after another as we have looked at the thorny question of Brexit?

The committee also reported that in later correspondence the Secretary of State stated clearly that continued participation in Creative Europe would be subject to negotiation with the EU. The committee recommended that the Government,

"should commit to making it an objective of negotiations to secure the UK's ongoing participation in Creative Europe".



That was ever such a long time ago, and intricate and byzantine negotiations have taken place since. I would love to hear the Minister tell us that consideration of the status of the arts has been a significant feature of those negotiations, but perhaps if he is even now not at liberty to disclose the outcome of those deliberations, he might, with a nod or a wink or with smoke and mirrors, give us something to hang on to. We have heard the facts adduced eloquently by one speaker after another: that in this area the notice, obstacles and timetables that we are up against make it virtually impossible for us to think of an ongoing activity for most of the arts that we are all concerned with beyond the limits currently set. The Minister will no doubt tell us that we have lengthened the time within which contractual arrangements made this side of 29 March will be honoured on the other side of 29 March to one year.

But those are not the limits that are reasonable in the cases we are considering. It was the noble Lord, Lord Wallace of Saltaire, who uttered the word that I certainly wanted to emphasise myself—“uncertainty, uncertainty, uncertainty”. There is nothing worse than uncertainty. Against that, I would draw attention to a briefing that many of us will have received from the Arts Council. In contrast with the Government, from the time the referendum took place, with a result that the arts world scarcely wanted to hear, it has begun to prepare responsibly for the new era that is now opening up.

There have been surveys: one almost immediately after the referendum; another in February 2017; another in February 2018. The findings of those surveys have been mentioned in various contributions to this debate. But this is an evidence-based, factual building of a case, done responsibly by those responsible for our arts sector. The Government, meanwhile, have dithered, fighting pillow fights in the dark with each other in dark rooms. It is simply not good enough. The well-peopled Benches opposite testify to the fact that they have all gone to the country, and are not here to discuss this vitally important subject. It is not my habit to repeat points already made—sitting where I do in some of these debates, all my best points have already been made—but I am going to repeat the four findings of the first survey on how Brexit will impact on the arts, because they all bear repetition and holding together in the sequence in which they appear in this report. Here they come: reductions to EU funding received by the sector; changes to ease of movement affecting international touring and booking international artists to perform in the UK; an increase in costs of and barriers to moving objects and instruments, and in international tours or museum lending due to changes in customs agreements; uncertainty around legal frameworks important to the creative sector, such as copyright, artist’s resale right, employment and taxation legislation.

I would add a fifth, because it has cropped up generally in the conversation—the plight of young and new entrants into the sphere of the arts, trying their equivalent of the Edinburgh Festival Fringe out on cosmopolitan markets and audiences. The thrill of testing an idea, of forging a team, of crossing a barrier and of meeting other cultural norms cannot be overestimated. There are all of those things, and then

the other, most quoted document of them all—the letter by Sir Bob Geldof and his many companions. We have more than once heard about the “self-built cultural jail”. But Sir Bob Geldof’s letter makes several other points. For example,

“60% of all royalty revenue paid to the UK comes from within the EU”.

There are all kinds of consequences that are way beyond the mere immediate impact, and they affect the very well-being of the sector in general.

We must emphasise, of course, that it is not only Sir Simon Rattle, Howard Goodall and the higher, elitist end of the entertainment and artistic world that combined to write that letter. It was Sir Bob Geldof himself who represented quite a different part of the spectrum. As did Ed Sheeran—I can see noble Lords’ faces lighting up at the mere mention of his name. But also, what about Bok Bok? I mean, we are talking about the record label Night Slugs. The style of music that Bok Bok is interested in suggests to me the kind of negotiations that have been going on in Brussels—muscular grime with thick bass synthesis, rather than Bok Bok’s original synth bass. There is all kinds of derring-do under the cloud of darkness.

I wish that the Prime Minister had got on to the platform at the Conservative Party conference with one of Bok Bok’s tracks, “Your Charismatic Self”, from a 2014 album; and she might have replied with a track from another album called “Get Me What You Want”. In all these ways we have the popular music end as well as the classical music end. We have music and art, and we have heard about dance. The case is undeniable, and I am truly astonished that we have to argue it again and again.

I will end with one little illustration from another moment in British history when there was a conflict with Europe. It was at the time when Queen Anne died and the Stuarts gave way to the Hanoverians. People on the Tory side then were of course Stuarts on the whole, and the Hanoverians came with new Whig Administrations, and for a while nobody quite knew where they were. Interestingly, the Stuarts went as refugees into EU France, and the Hanoverians came out of Germany to take our crown. What a European picture is this! I believe that Alexander Pope, whose writings I am particularly fond of and immersed in just at the moment, coined a blessing, with which I will leave your Lordships—and in view of my professional duties this comes with authority and standing. Listen to this blessing, which has been touched up just a little: “God bless Remain, our Nation’s best Defender, God bless—no harm in blessing—the Brexiteer Offender. Who’ll win the day, prosperity to bring? God bless us all!—that’s quite another thing.”

5.16 pm

**Viscount Younger of Leckie (Con):** My Lords, I have blessings and Bok Bok ringing in my ears. However, contrary to the impression given by the noble Lord, Lord Griffiths, I am very pleased to respond to this debate this afternoon on behalf of my noble friend Lord Ashton. I express my thanks to the noble Lord, Lord Bragg, for initiating this important debate, and to all Peers who have contributed.

[VISCOUNT YOUNGER OF LECKIE]

I will declare some interests. I was Minister for Intellectual Property at the Department for Business, Innovation and Skills—as it was then called—between 2013 and 2014. I am a patron of Garsington Opera, the Buckinghamshire County Museum, the Museum of Brands, and the Scott Polar Research Institute.

I will start by delving into what we mean by the arts. The arts encompass so much of what enriches our lives: writing in prose and verse; all forms of music-making, from evensong to bagpipes; opera; ballet and other dance forms—as emphasised by my noble friend Lady Hooper; theatre; the visual arts; all the treasures in our museums, as raised by my noble friend Lady Wheatcroft; and archives and galleries. I could go on, and if I did, I would also include my own enthusiasms for Scottish reeling and the operettas of Gilbert and Sullivan—although perhaps the noble Lord, Lord Griffiths, has given a bit of a flavour of that this afternoon.

I am sure your Lordships will be aware that this is a propitious moment to be talking about the arts and our cultural relationships with Europe, as we are coming up to the 500th anniversary of the Field of the Cloth of Gold, Henry VIII's great festival of cultural co-operation—perhaps putting to one side the jousting and wrestling—in 1520. It is perhaps a fitting subject for an episode of “In Our Time”. I will return to the important topic of festivals toward the end of my speech. But for now I hope I can be forgiven if I choose not to dwell on the subject of Henry VIII and our relationship with Europe. On Henry supposedly losing a wrestling match at that 1520 festival against the French King Francis I, the less said, the better.

The House will not be surprised when I say that the Government have a few pressing concerns, but it should be reassured that we appreciate the value of the arts and their importance to the UK. I say at the outset that I have listened very carefully, not only to the eloquent speech from the noble Lord, Lord Bragg, but to many impassioned speeches, as the subject relates to our departure from the EU.

The right reverend Prelate the Bishop of Chichester and the noble Lord, Lord Griffiths, raised the point about uncertainty. Her Majesty's Government recognise the difficulties that the uncertainty about the EU exit brings. We acknowledge the uncertainty. But, as has been said by many of my colleagues, the negotiations are progressing and we are confident of an agreement this autumn.

The arts sector is one of our greatest success stories, outstripping other sectors in the speed of its growth, while doing so much to enrich people's lives up and down the country. The success of the arts in the UK is also demonstrated in the numbers. Here is a flavour. In 2017, there were 5.4 million jobs in DCMS sectors, accounting for 16.4% of all UK jobs—674,000 of those jobs were in the cultural sectors. The gross value added of the cultural sectors was £26.8 billion in 2016, an increase of over 25% from 2010. In 2016, the DCMS sectors accounted for service exports of over £46 billion. The cultural and creative sectors represent a good portion of this. Finally, these sectors are

growing: the music, performing and visual arts sectors' exports of services grew by over 200% between 2010 and 2016.

In addition to supporting growth in the UK, the arts sectors also play an important role in showing the world the very best of the UK and in strengthening our global relationships—a point raised by the noble Lord, Lord Berkeley of Knighton. The UK is currently ranked number one in the world for soft power according to Portland's *The Soft Power 30* index. There are many reasons for that, but the strength of our artists and our cultural institutions is at the heart of our global influence and our attraction to the rest of the world.

DCMS works closely with the Foreign Office, including its embassies and high commissions, the British Council, the Department for International Trade, including through its trade missions, and the Department for International Development to promote our artists and support cultural exports across Europe and the rest of the world. Let me reassure the House that this will continue during and beyond our exit from the EU. For example, forthcoming seasons of culture with Italy and France will illuminate the ongoing strength of our cultural co-operation across Europe, not to mention the future loan of the Bayeux Tapestry.

We also benefit hugely when the arts of Europe and the rest of the world visit us at home in the UK. Earlier this summer, the BBC Proms played host to the famous Berlin Philharmonic, the Budapest Festival Orchestra, and the West-Eastern Divan Orchestra. Right now, noble Lords can go and see extraordinary art from Oceania at the Royal Academy, which I must visit myself.

Our arts organisations also have an impressive global reach. The Royal Opera House, for example, tells us that 377,000 people attended screenings of its performances in 41 other countries in 2016-17. Shakespeare's Globe Theatre performed “Hamlet” in 197 countries between 2014 and 2016 well beyond Europe. Its tour included a performance for 3,000 people in front of Yucatán Cathedral in Mexico—a country with which the noble Baroness, Lady Bonham-Carter, has some familiarity through her role as the Prime Minister's trade envoy.

I now address our withdrawal from the EU because, although our arts sectors are working very effectively worldwide, we are very aware that their closest relationships are with Europe. Many points were made about that this afternoon. So it is only natural that businesses and organisations in the arts have expressed some concerns about the UK's exit from the EU. Among them is the concern that it will hamper their ability both to access first-class talent from overseas and to nurture promising individuals here in the UK.

The training of musicians, dancers, and actors in the UK is among the best in the world. I spoke in May at the debate on the *Skills for Theatre* report produced by the Communications Committee, at which some of today's speakers were present. On that occasion, we had a productive and lively discussion on apprenticeships. I mentioned that I would like to see the number of apprenticeships in the arts, media and publishing increase, so that we continue to nurture exceptional homegrown talent. That was why I was glad to hear the announcement

earlier this month by the Secretary of State for Culture of a new scheme of youth performance partnerships. These will bring arts organisations and schools together to teach practical performance skills both on and off stage, including drama, dance, art, creative writing, lighting, sound and set design.

The noble Lord, Lord Liddle, spoke about talent. We also recognise that arts businesses and organisations benefit from being able to find talent and leadership from outside the UK—a reassurance to a question asked by the noble Baroness, Lady Bonham-Carter. We understand the particular issues for the arts. For example, I believe that salary alone is too blunt an instrument with which to assess skill level—a point raised by the noble Lord, Lord Adonis, and others. I would say that it is absolutely true that in this sector we need to be careful about making a link between salary level and skill set, and the Government are aware of that. I know also that the sector often needs to bring in performers at short notice to provide last-minute cover for illness or injury, another point which was raised. It is important to ensure that our short-term mobility arrangements allow this to continue.

The Prime Minister has been clear that, as we leave the EU, the free movement of people will end and a new skills-based immigration system will be introduced. We will look for talent across the globe, attracting the people with skills that we need, and we will continue to attract world-class performers in the arts. The Government will set out further details on this in the White Paper on the UK's future immigration system later this autumn.

The noble Lord, Lord Liddle, talked about youth ability—extending on the subject of talent—and asked what the Government are going to do to support young people working in the arts. As we said in the White Paper, the UK proposes a UK-EU youth mobility scheme to ensure that young people can continue to enjoy the social, cultural and educational benefits of living in each other's countries. The UK already operates such schemes with countries like Australia and Canada which could serve as the model for an EU scheme.

The noble Earl, Lord Clancarty, asked about the current state of discussions between the DCMS and the Home Office on migration policy. I can reassure him that the DCMS is working closely with the Home Office to ensure that it understands the particular needs of the arts sector, including making the point about salaries, which I referred to earlier.

I know that movement is a recurrent theme in this debate; it has been raised by many noble Lords. Touring abroad also often includes moving large amounts of goods and equipment on a temporary basis. As the noble Lord, Lord Bragg, said, the arts sector has been telling us what challenges could be presented if new checks are introduced between the UK and the EU. Echoing a theme raised by the noble Lord, Lord Berkeley of Knighton, and my noble friend Lady Wheatcroft, one particularly compelling case is that of the London Symphony Orchestra. It reports that it may give a performance in London on a Sunday evening that is repeated in Paris on the Monday. It has expressed concerns, understandably so, that increased customs checks may make that impossible. I wish to

reassure the House that we understand these concerns and our proposals for the UK's withdrawal will avoid friction at the border.

As the noble Baroness, Lady Bonham-Carter, said, along with the right reverend Prelate the Bishop of Chichester, the noble Baroness, Lady Warwick, and the noble Lord, Lord Foster, funding streams such as Creative Europe are another key area of interest for the arts sector. We recognise that European money is clearly an important component of the funding landscape for the arts. Ultimately the decision on which programmes are in the UK's interests will be decided as part of the future partnership negotiations which, as I said earlier, are ongoing.

As a former intellectual property Minister, I would like to mention the concerns of the arts sector in this area. Points were raised by the noble Baroness, Lady Bull, the noble Lord, Lord Foster, and the noble Earl, Lord Clancarty. I will write to the noble Earl with a response to the specific question he raised. The White Paper sets out some proposals for future co-operation with the EU on intellectual property as we and many EU member states are party to the main international treaties on copyright. Many of the protections that businesses currently benefit from will not be affected by our EU exit and will continue to operate as normal.

As my noble friend Lady Hooper said, the House will have been glad to see that the White Paper on the UK's future relationship with the EU sets out our intention to negotiate a co-operative accord on culture and education. This proposed accord with the EU will be broader and more collaborative than anything that the EU has agreed before and I would encourage noble Lords to engage with the proposal to help us deliver it. The Secretary of State for culture has recently been in France and Germany to engage with his counterparts on the accord as proposed in the White Paper, and I was pleased to hear that the proposals have been warmly received. My noble friend also raised a point about visas and mobility and asked to what extent the Government are giving serious consideration to the idea of a short-term touring visa, which is a good point. I am pleased that she is encouraged by what she has read in the White Paper, but it is important that we look at this. It is certainly something that will continue to be considered as part of the ongoing negotiations. I am sure that some other ideas will also come up.

There have been a good number of questions raised. I am going to attempt to cover them all, in no particular order. The right reverend Prelate the Bishop of Chichester asked whether the Government would commit to continuing the UK Artists' Resale Right. It stems, as he will be aware, from the implementation of the EU directive on the resale right for the benefit of the author of a work of art. It will be retained in UK law through the European Union (Withdrawal) Bill, which means that UK artists and estates will continue to share its benefits.

The noble Lord, Lord Bilimoria, and my noble friend Lady Wheatcroft spoke about the European Capital of Culture. In essence, they both asked what will happen to our participation in this particular programme. I can say that we were disappointed by



[VISCOUNT YOUNGER OF LECKIE]

the decision to preclude UK cities from participating in the 2023 European Capitals of Culture programme. The UK wants a new positive and constructive relationship on culture with the EU. As we explore options for our continued partnership on mutually beneficial cultural programmes, we look forward to discussing the options around the UK's future participation in the European Capitals of Culture competition.

My noble friend Lady Wheatcroft and the noble Baroness, Lady Bull, asked about the regions. Specific questions centred on whether the regions will suffer more than London. I would like to reassure them that the Government's continued commitment to public arts funding means that the Arts Council can continue to support the many organisations outside London through a range of funding programmes. In fact, the Arts Council has already met its commitment to increase its lottery funding outside London to 75% by April 2018. To expand upon that particular answer for the benefit of the noble Baroness, Lady Bull, DCMS investment in the arts, which is distributed by the Arts Council, supports many major arts organisations that play a leading role in the arts across the country, not just in London. The Government have been clear that the right balance of funding between London and the regions continues to require attention. Perhaps I can reassure her that this is work in progress.

The noble Baroness, Lady Bonham-Carter, asked about broadcasting and country of origin rules. As set out in the White Paper, we cannot be part of the so-called AVMSD directive, which the noble Baroness will know, if we are not part of the EU. As a result, the country of origin principle, which enables audio-visual services to obtain a broadcasting licence in one member state for all their channels and services across Europe, will no longer apply. The UK is seeking the best possible arrangement for broadcasting that will work for UK businesses and audiences—so that is some reassurance, but not an answer, which I am sure she would be the first to tell me.

The noble Lord, Lord Wallace of Saltaire, asked what progress was being made on mobility arrangements. The White Paper which he cited sets out our proposals for a framework on mobility, which are the basis of our negotiations with the EU. We will set out further detail on the UK's future immigration system in due course. We have always been clear that we want decisions about the future immigration system to be based on evidence. The MAC's report which he alluded to on EEA migration in the UK will inform those particular decisions.

I took note of the point raised by the noble Lord, Lord Parekh, about the tone of this afternoon. I am the first to say that, if a question is raised about the EU, I am happy to try to answer it. The noble Lord, Lord Bragg, asked if the referendum was reversible and whether we would consider a second referendum. I would like to be clear, as my colleagues have been, that this Government will never accept a second referendum. The British people voted to leave the EU and we will leave on 29 March 2019.

**Lord Bilimoria:** I thank the noble Viscount for giving way. He said that the British people have voted to leave, but 96% of Creative Industries Federation members voted to remain. In the Northern Ireland debate earlier today, we heard that 56% of people there voted to remain. This is the tyranny of the majority.

**Viscount Younger of Leckie:** I have to take note of the noble Lord's points. He has been assiduous in making these points over not just weeks but many months. However, I can only take note, and I come back to where we stand. It is much more for my colleagues in DExEU to make these points, but that is how we sit. I am afraid that that is what I have to say to the noble Lord.

**Lord Wallace of Saltaire:** The Minister should know that it is a question of urgency. The briefings we have all had pointed out that arts organisations have to plan up to two or three years ahead. The Minister gave the answer that the Government are thinking about when they might be able to tell us something about what they hope to negotiate with the European Union at some point before the end of the implementation period. That is a very long period of uncertainty, which will damage our entire cultural sector. Can he not give us some sense of timing and urgency?

**Viscount Younger of Leckie:** The noble Lord is pushing me. I realise that he raised this point in his speech, but I am not able to give a definitive timetable and I hope that he will respect that. In fact, if there was such a timetable, it would have been made by Ministers other than myself. I reassure him again that discussions are continuing intensely in the channels that he will know about. We await announcements.

**Baroness Wheatcroft:** I want to press my noble friend a little more. He said that discussions are continuing. Can he tell me how we are to believe that the British public have given their informed consent to a Brexit that is yet to emerge?

**Viscount Younger of Leckie:** I said that I would try to answer every question but the debate is moving into areas that have been covered before. I am keen to answer questions on the arts. I will read *Hansard*, go back over my noble friend's question and write to her.

Let us move on to arts education. The noble Lord, Lord Berkeley, asked about arts education at A-level being rather low. The Government have announced almost £500 million of funding between 2018 and 2020 for a diverse portfolio of music and arts education programmes. That includes £300 million for music education hubs and almost £120 million for the music and dance scheme.

A good number of questions were asked—another six, to be precise—and I would spend more time answering them if I could. I will write a full letter to all Peers who have taken part in the debate. However, I want to make some brief concluding remarks.

I assure the House that the arts play a vital role in demonstrating that we are, and will continue to be, open for business after Brexit. I want to return briefly to the topic of festivals, as I promised I would. The Prime Minister announced that 2022 will see a major festival to celebrate the UK's unique strengths in creativity and innovation. The Government have committed £120 million to realising this. That festival will be a wonderful opportunity to show off the very best of our creativity and innovation in this country. Finally, I want to paint for the House a picture of a thriving arts sector, collaborating internationally here in the UK, in the EU and across the world. We will continue to make inspiring music, dance, theatre and visual art that contributes significantly to the UK's material prosperity.

5.38 pm

**Lord Bragg:** I thank your Lordships. I have been heavily warned that we must finish at 5.43 pm, so I will stick to that. I have very little to say because much of what I wanted to say has already been said extremely eloquently in a beautifully one-sided debate that leaves no room whatever for doubt. Does that matter? I think it does, because we matter as a House. As for the referendum being final and unassailable, nothing in a democracy cannot be reversed. I still have hope. I thank all noble Lords for taking part; it was terrific to listen to every point of view.

*Motion agreed.*

*House adjourned at 5.39 pm.*







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